THE BUDGET

OF THE

UNITED STATES GOVERNMENT

FOR THE FISCAL YEAR ENDING JUNE 30

1967

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A NOTE ON THE FORMAT OF THE BUDGET

Data relating to the budget for 1967 are published in a group of five documents. *The Budget of the United States Government* is presented in a compact volume containing the Budget Message of the President and other significant data to place before the Congress the President's budgetary recommendations. This volume contains the facts and figures that most users of the budget would normally need or desire.

The Budget of the United States Government—Appendix contains the text of appropriation estimates proposed for the consideration of Congress together with specific reference materials on the various appropriations and funds, as well as supplementary schedules required by law with respect to details of personnel compensation.

The Budget of the United States Government—The District of Columbia contains the estimates for the municipal government of the District of Columbia.

A pamphlet type of publication, *The Budget in Brief*, is available for those who wish a much more concise presentation than any of the three official volumes. A second pamphlet type of publication, *Special Analyses of the United States Budget*, contains the four special analyses which are printed in the budget, and nine additional analyses.

Budget documents for the fiscal year 1967, available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. (Paper covers only.)

1. The Budget of the United States Government, 1967 ($1.50).
2. The Budget of the United States Government, 1967—Appendix ($6.50).
3. The Budget of the United States Government, 1967—The District of Columbia (45 cents).
4. The Budget in Brief, 1967 (35 cents).
5. Special Analyses of the United States Budget, 1967 (50 cents).

TABLE OF CONTENTS

	Page
PART 1. THE BUDGET MESSAGE OF THE PRESIDENT	5
PART 2. SUMMARY TABLES	37
Table 1. Budget résumé	39
Table 2. Receipts from and payments to the public	40
Table 3. New obligational authority by type and function	41
Table 4. New obligational authority by agency	42
Table 5. Expenditures by agency	43
Table 6. Investment, operating, and other expenditures	44
Table 7. Federal receipts and expenditures in the national income accounts	45
Table 8. Relation of authorizations to expenditures	46
Table 9. Obligations incurred, net, by agency	48
Table 10. Balances of obligational authority	49
Table 11. The public debt	50
Table 12. Full time permanent employment in the executive branch	51
PART 3. RECEIPTS	53
Analysis of receipts by source	54
Table 13. Sources of receipts	60
PART 4. THE FEDERAL PROGRAM BY FUNCTION	67
Analysis of Federal activities by function	68
National defense	72
International affairs and finance	84
Space research and technology	91
Agriculture and agricultural resources	93
Natural resources	98
Commerce and transportation	104
Housing and community development	112
Health, labor, and welfare	118
Education	129
Veterans benefits and services	135
Interest	140
General government	141
Table 14. New obligational authority and expenditures by function and agency	145
PART 5. THE FEDERAL PROGRAM BY AGENCY	161
Explanation of means of financing agency activities	162
Analysis of new obligational authority and expenditures by agency	166
Legislative branch	166
The judiciary	179
Executive Office of the President	182
Funds appropriated to the President	186
Department of Agriculture	192
Department of Commerce	210
Department of Defense—Military	227

PART 5. THE FEDERAL PROGRAM BY AGENCY—Continued
Analysis of new obligational authority and expenditures by agency—Continued Page
Department of Defense—Civil 240
Department of Health, Education, and Welfare 244
Department of Housing and Urban Development 265
Department of the Interior 272
Department of Justice 291
Department of Labor 295
Post Office Department 301
Department of State 303
Treasury Department 308
Atomic Energy Commission 316
Federal Aviation Agency 316
General Services Administration 318
National Aeronautics and Space Administration 323
Veterans Administration 324
Other independent agencies 327
District of Columbia 349
Special allowances 351
Trust funds 352
Memorandum—Annexed budgets 372

PART 6. SPECIAL ANALYSES 375
A. Three measures of Federal financial transactions 376
B. Public enterprises, trust funds, and gross expenditures of the Government 385
C. Civilian employment in the executive branch 397
D. Investment, operating, and other expenditures 406
Private participation in Federal credit programs 426

PART 7. HISTORICAL TABLES 429
Table 15. Administrative budget totals and public debt, 1789–1967 430
Table 16. Consolidated cash totals and Federal sector of the national income accounts, 1940–67 431
Table 17. Federal finances and the gross national product, 1940–67 432
Table 18. Administrative budget and trust fund receipts, 1956–67 433
Table 19. Administrative budget and trust expenditures by function, 1956–67 434
Table 20. Receipts from and payments to the public, 1956–67 439
Table 21. Federal receipts and expenditures in the national income accounts, 1956–67 440

INDEX 441

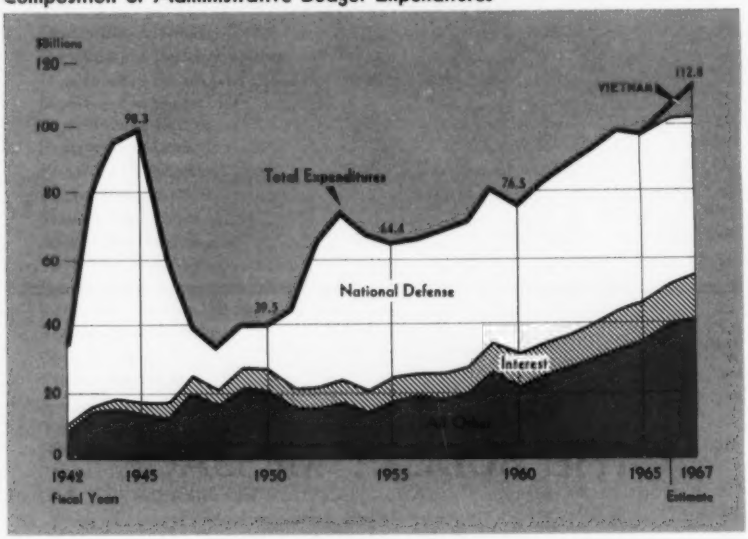
GENERAL NOTES

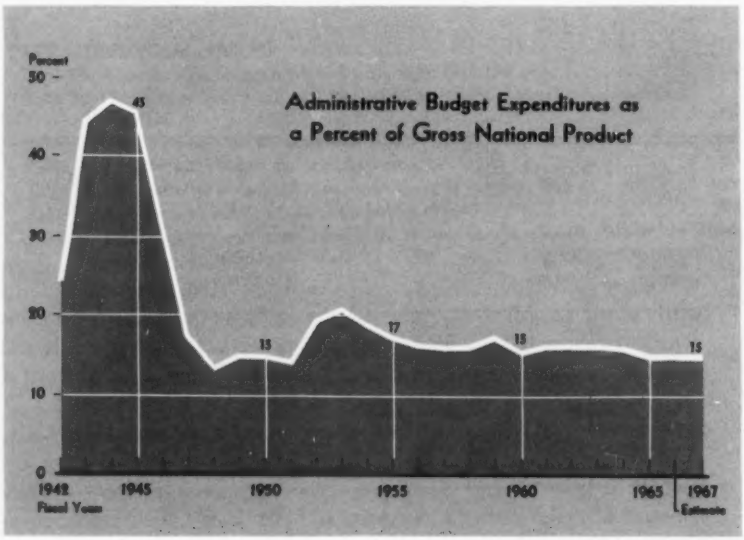
1. The estimates in the budget cover requirements under existing legislation and under legislation which is proposed for enactment by the Congress.
2. Unless otherwise indicated, all references to years in this volume are to fiscal years ending June 30.
3. Details in the tables and charts may not add to the totals because of rounding.

PART 1

THE BUDGET MESSAGE OF THE PRESIDENT

Composition of Administrative Budget Expenditures





BUDGET MESSAGE OF THE PRESIDENT

To the Congress of the United States:

With this message I transmit to you today the budget of the United States of America for the fiscal year 1967.

A budget is not simply a schedule of financial accounts.

It is a program for action.

The program of the Federal Government which this budget recommends is grounded on these fundamental premises:

- In international affairs we are determined to seek peace with every means at our command

  —but we are fully prepared to meet the costs of opposing aggression.

- In domestic affairs we are determined to press confidently forward toward the Great Society

  —but we shall do so in an orderly and responsible way, and at a pace which reflects the claims of our commitments in Southeast Asia upon the Nation's resources.

The budget for 1967 bears the strong imprint of the troubled world we live in.

It provides the funds we now foresee as necessary to meet our commitments in Southeast Asia. If our efforts to secure an honorable peace bear fruit, these funds need not be spent. Yet it would be folly to present a budget which inadequately provided for the military and economic costs of sustaining our forces in Vietnam. And those costs are substantial.

In this setting I have sought to frame a balanced program.

- We are a rich nation and can afford to make progress at home while meeting obligations abroad—in fact, we can afford no other course if we are to remain strong. For this reason, I have not halted progress in the new and vital Great Society programs in order to finance the costs of our efforts in Southeast Asia.

- But even a prosperous nation cannot meet all its goals all at once. For this reason, the rate of advance in the new programs has been held below what might have been proposed in less troubled times, many older and lower priority activities have been reduced or eliminated, and economies have been sought in every operation of the Government.

• At the same time, I want to insure that the necessary increase in budget expenditures is so financed as to promote economic stability. For this reason, I am proposing several tax measures designed to increase Federal revenues.

With this balanced program we can:

• Meet our international responsibilities with firmness.

• Maintain continued prosperity and economic stability at home.

• Raise the productivity, earnings, and living standards of our poorer citizens.

• Improve the quality of life for all citizens.

• Preserve and protect our national resources for the generations to come.

And we can achieve these ends without unduly straining our economic resources or impairing our steady economic expansion.

THE BUDGET AND ECONOMIC GROWTH

The unprecedented and uninterrupted economic growth of the past 5 years has clearly demonstrated the contribution that appropriate fiscal action can make to national prosperity. Aided by the judicious use of tax and expenditure policy, the Nation continues to benefit from the longest period of sustained economic growth since the end of World War II.

With proper policies, this growth will extend through the current calendar year and beyond. In calendar year 1966, the Nation's output of goods and services—the gross national product—is expected to grow by $46 billion over 1965, reaching $722 billion, plus or minus $5 billion. This increase will follow on the heels of last year's healthy growth, when the real gross national product advanced by 5½%. During that year:

• Nearly 2½ million additional jobs were created.

• Countless new and previously idle plants and machines were drawn into productive use.

• Consumer and business incomes reached record levels.

• The unemployment rate fell to 4.1%, the lowest in more than 8 years.

A growing economy provides rising Federal revenues and expanding economic resources both for meeting our military and international commitments and for moving closer to our Great Society goals. But this does not relieve us of the obligation to weigh expenditure decisions carefully and carry them out efficiently. Inflation need not be the price of social progress; nor should it be a cost of defending freedom.

Our fiscal and monetary policies must also be designed to help reduce further the balance of payments deficit. During the past calendar year, the deficit declined by more than half from the preceding year.

Private banks and other businesses contributed significantly in a variety of ways through voluntary programs announced last February. In addition, the Federal Government has been eliminating or reducing payments abroad wherever possible and consistent with essential program requirements. We will continue these efforts.

FISCAL PROGRAM

This budget presents a responsible fiscal program. It accommodates our foreign and domestic responsibilities in an environment of strong but noninflationary economic growth.

The 1967 fiscal program consists of the following elements:

First, apart from the special costs of operations in Southeast Asia, increases in Federal *expenditures* for high priority Great Society programs and for unavoidable workload growth have been largely offset by reductions in lower priority programs, management improvements, and other measures. As a consequence, total *regular* administrative budget expenditures—i.e., outside of special Vietnam costs—rise by only $0.6 billion between 1966 and 1967—and this increase is virtually the same amount as the congressional additions to my 1965 pay proposals for military and civilian employees.

Second, I propose to supplement the expansion of Federal *revenues* which is a consequence of economic growth by a series of tax measures which will yield $1.2 billion in fiscal year 1966 and $4.8 billion in 1967:

- A plan for improving the pay-as-you-go effectiveness of the withholding system on personal income taxes.
- A corresponding plan to accelerate the transition of corporate income tax payments to a full pay-as-you-go basis.
- A temporary reinstatement of the excise taxes on passenger automobiles and telephone service which were reduced at the beginning of this calendar year and deferral of the further reductions scheduled in the future.

Third, the combined increase in revenues from economic growth and from my tax proposals will amount to $11.0 billion in 1967. This is substantially larger than the growth in administrative budget expenditures. In fact, it virtually covers the total special costs of operations in Vietnam as well as the small increase in regular budget expenditures from 1966 to 1967.

Fourth, as a consequence, the overall 1967 deficit in the administrative budget is $1.8 billion, sharply lower than in 1966 and the smallest deficit in 7 years, despite the added costs we are incurring in Southeast Asia.

Fifth, on a consolidated cash basis—which is the most comprehensive measure of budget totals—the 1967 budget will show a surplus of $0.5 billion.

No one can firmly predict the course of events in Southeast Asia. They depend not only upon our own actions but upon those of our adversaries. As a consequence, ultimate budgetary requirements could be either higher or lower than amounts I am now requesting. Prior experience shows that such estimates are extremely difficult to make. During the Korean war, for example, actual military expenditures fell substantially below the original budget estimate. The amounts which I am presenting here reflect the best judgment which can be made at this point in time.

Because of the uncertainties inherent in this situation, the 1967 budget is designed to provide flexibility of response to changing conditions. In the new programs authorized by Congress in the last several years, we have an effective array of weapons to attack the major domestic problems confronting the American people—in the fields of health, education, poverty, housing, community development, and beautification. The 1967 budget provides funds to press forward vigorously with these new programs. But because of the costs of maintaining our commitment in Vietnam, those funds are, in many cases, less than the maximum authorized in the enabling legislation. Should our efforts to find peace in Vietnam prevail, we can rapidly adjust the budget to make even faster progress in the use of these new programs for the solution of our domestic problems.

If, on other hand, events in Southeast Asia so develop that additional funds are required, I will not hesitate to request the necessary sums. And should that contingency arise, or should unforeseen inflationary pressures develop, I will propose such fiscal actions as are appropriate to maintain economic stability.

BUDGET SUMMARY

Administrative budget.—Administrative budget expenditures in the fiscal year 1967 are estimated at $112.8 billion, an increase of $6.4 billion over 1966. Apart from the special military and economic assistance costs in Vietnam, expenditures for the *regular* programs of the Federal Government in 1967 are estimated at $102.3 billion, a rise of $0.6 billion from 1966, only six-tenths of one percent.

Administrative budget receipts are also expected to increase in 1967, to $111.0 billion. Of the $11.0 billion increase over 1966, $3.6 billion results from the tax measures I am proposing. Most of the remainder results from the sound and orderly economic growth expected for calendar year 1966.

Excluding both special Vietnam costs and the recommended tax measures, the 1967 administrative budget could have been in surplus. When I urged the Congress to enact the Revenue Act of 1964, I stated that the growth in economic activity yielded by the tax reduction, in combination with economy and efficiency in Government expenditures, would lead to a balanced budget in a prosperous economy. Barring the then unforeseen costs we are incurring in Southeast Asia, that forecast remains a correct one.

SUMMARY OF FEDERAL RECEIPTS AND PAYMENTS

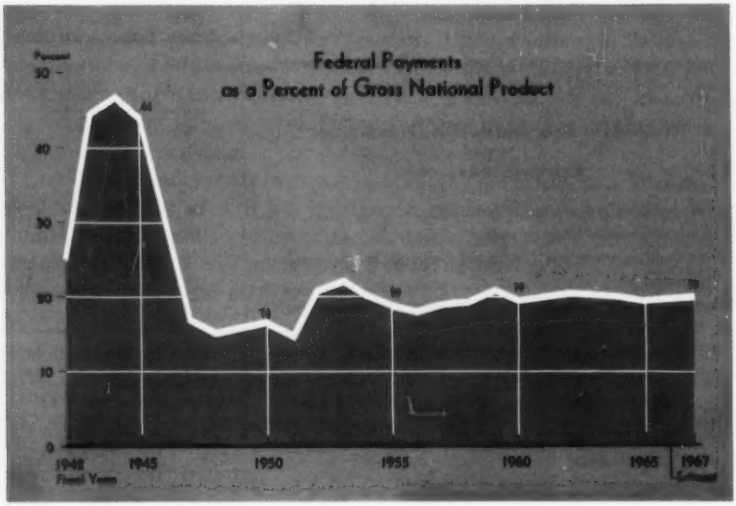
[Fiscal years. In billions]

Description	1965 actual	1966 estimate	1967 estimate
FEDERAL RECEIPTS			
Administrative budget receipts	$93.1	$100.0	$111.0
Trust fund receipts	31.0	33.5	41.6
Deduct: Intragovernmental transactions and other adjustments	4.4	5.4	7.1
Total cash receipts from the public	119.7	128.2	145.5
Deduct: Loans, differences in coverage, and other adjustments	1.0	.6	.7
Add: Cash to accrual basis and other adjustments	.9	1.2	−2.6
National income account receipts—Federal sector	119.6	128.8	142.2
FEDERAL PAYMENTS			
Administrative budget expenditures	96.5	106.4	112.8
Excluding special Vietnam costs	*(96.4)*	*(101.7)*	*(102.3)*
Trust fund expenditures (including Government-sponsored enterprises)	29.6	33.8	37.9
Deduct: Intragovernmental transactions and other adjustments	3.7	5.2	5.7
Total cash payments to the public	122.4	135.0	145.0
Excluding special Vietnam costs	*(122.3)*	*(130.3)*	*(134.5)*
Deduct: Loans, differences in coverage, and other adjustments	5.8	4.0	1.6
Add: Cash to accrual basis and other adjustments	1.7	--------	−.7
National income account expenditures—Federal sector	118.3	131.0	142.7
Excluding special Vietnam costs	*(118.2)*	*(126.3)*	*(132.2)*
EXCESS OF RECEIPTS (+) OR PAYMENTS (−)			
Including special Vietnam costs:			
Administrative budget	−3.4	−6.4	−1.8
Receipts from and payments to the public	−2.7	−6.9	+.5
National income accounts—Federal sector	+1.2	−2.2	−.5

Consolidated cash statement.—The administrative budget does not include a number of important Federal activities which are financed through trust funds, such as social security, medical care for the aged, and aid for highway construction. A more complete measure of the Government's finances is the consolidated cash budget which covers all of the Government's programs and transactions with the public.

Total payments to the public on the consolidated cash basis are estimated at $145.0 billion in fiscal year 1967, an increase of $10.0 billion over 1966. Excluding special Vietnam costs, cash payments are estimated to rise by $4.2 billion in 1967, primarily because of the recently enacted hospital and medical insurance programs for the aged which begin in 1967 and are being financed in large part by special taxes.

Total receipts from the public are estimated to be $145.5 billion in 1967, an increase of $17.4 billion over 1966. Of the total in 1967, $6.5 billion represents the yield from special trust fund taxes that were recently enacted or are proposed in this budget.



Federal sector, national income accounts.—A third measure of Federal finance is based on the national income accounts. This concept is designed to indicate the direct impact of Federal fiscal activity on the economy. In this set of accounts, Federal receipts and expenditures, including trust fund transactions, are generally estimated on an accrual rather than a cash basis. In addition, purely financial transactions are excluded because they do not directly result in current output and income. Total Federal sector receipts and expenditures are estimated to show a deficit of $2.2 billion in 1966 and $0.5 billion in 1967.

FEDERAL REVENUES

Since 1962, private demands for investment and consumption have been stimulated by several major tax revisions. The stimulus resulting from these tax changes has been the single strongest contributor to 5 full years of sustained economic growth. In the current year, private wage earners and investors are benefiting from tax reductions totaling $20 billion as a result of:

- The Revenue Act of 1962, highlighting an investment tax credit for business.
- Liberalized depreciation allowances.
- The Revenue Act of 1964, providing a record cut in personal and corporate income tax rates.
- The Excise Tax Act of 1965, authorizing a broad program to abolish most Federal excise taxes and reduce others.

Despite this massive tax reduction, administrative budget receipts under existing legislation are estimated to be about $21 billion greater in 1966 than they were 5 years earlier in 1961. This increase is more than double the increase during the previous 5 years, when there were no significant tax cuts. Thus, we have a clear illustration of the direct relationship between tax policies, economic growth, and Federal revenues.

RECEIPTS FROM THE PUBLIC

[Fiscal years. In billions]

Source	1965 actual	1966 estimate	1967 estimate
Administrative budget receipts:			
Individual income taxes	$48.8	$51.4	$56.2
Corporation income taxes	25.5	29.7	34.4
Excise taxes	10.9	9.2	8.9
Other	7.9	9.7	11.5
Total administrative budget receipts	93.1	100.0	111.0
Trust fund receipts:			
Employment taxes	16.9	18.8	24.3
Deposits by States, unemployment insurance	3.1	2.9	2.9
Excise taxes	3.7	3.9	4.4
Federal employees retirement system	2.2	2.2	2.2
Interest on trust fund investments	1.8	1.8	2.0
Veterans life insurance premiums	.5	.5	.5
Other	3.0	3.4	5.3
Total trust fund receipts	31.0	33.5	41.6
Intragovernmental transactions and other adjustments (deduct)	4.4	5.4	7.1
Total receipts from the public	119.7	128.2	145.5

Tax policy, however, must be used flexibly. We must be equally prepared to employ it in restraint of an overly rapid economic expansion as we were to use it as a stimulus to a lagging economy.

The current situation calls for a modest measure of fiscal restraint. As a consequence, I am recommending a tax program which consists primarily of desirable reforms in tax collection procedures, having the effect of increasing revenues in the current and coming year. In addition, I am proposing the deferral of certain scheduled excise tax reductions.

Larger corporations are beginning the third step of a seven-stage transition to a full pay-as-you-go system for corporate income taxes by 1970. I propose that this transition be accelerated this year and completed in 1967 to produce increased corporate tax collections of $1.0 billion and $3.2 billion, respectively.

Similarly, higher income individuals now find that withheld taxes under the existing flat-rate system fail to cover the full tax liability at the end of the year. Establishment of a graduated withholding system will increase tax collections by $0.1 billion in fiscal 1966 and $0.4 billion in 1967, without a change in total personal tax liabilities.

In the case of the self-employment social security tax, individuals may now elect to make payments annually instead of quarterly. By requiring these payments to be made quarterly, trust fund receipts will be increased by $0.1 billion in both fiscal 1966 and fiscal 1967.

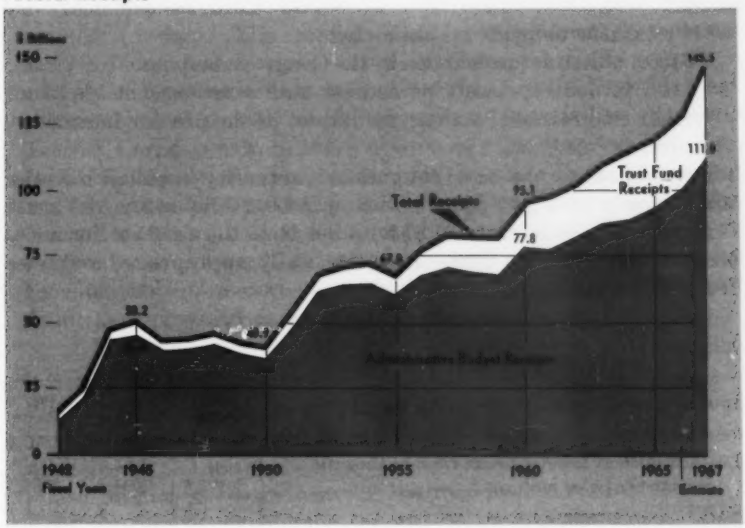
Together, these three changes in collection procedure will put higher income individuals and corporations closer to the full pay-as-you-go schedules which now apply to moderate and lower income wage earners.

However, it is desirable that the economic impact of these three collection speedup reforms should be supplemented by temporarily rescinding reductions in excise tax rates on automobiles and telephone service which took effect in January of this year and by postponing the reductions in rates on these items now scheduled to take place in the future. Together these temporary tax measures will yield $0.1 billion in 1966 and $1.2 billion in 1967.

An increase in the payroll tax rate and wage base to finance higher social security benefits and the new hospital insurance programs took effect on January 1, 1966. A further increase in the rate will occur on January 1, 1967, under existing law. These increases are expected to provide additional trust fund receipts of $1.5 billion in fiscal year 1966 and $6.2 billion in 1967.

The nature of many government services is such that they should be provided without any charge or with only a nominal charge. However, in certain cases when a Government program provides special benefits or privileges to specific, identifiable individuals or businesses, appropriate user charges should be initiated. To this end, legislation

Federal Receipts



will be proposed when necessary, and equitable user charges will be instituted administratively where authority exists to do so.

This budget proposes a number of new or increased charges, the largest of which are in the transportation field. I again urge the Congress to enact legislation so that the primary beneficiaries will defray a larger part of the costs incurred by the Federal Government in providing transportation facilities and services to these beneficiaries.

Increased highway user charges are essential for completing the Interstate Highway System on a pay-as-you-go basis and for financing certain additional activities of importance to highway travelers, such as safety programs.

The users of the airways bear substantially less than the full cost of the Government investments and services upon which they rely. Accordingly, I am recommending an increase in the passenger ticket tax, increased taxes on fuels used by general aviation, and a new tax on air freight. Receipts from the fuel tax on general aviation which now go into the highway trust fund should be retained in the general fund.

The facilities of the inland waterways system, which have been improved steadily by the Federal Government, presently are available to general and commercial users free of charge. I propose that they meet a portion of the cost of the system through a fuel tax.

NEW OBLIGATIONAL AUTHORITY

The recommendations in this budget will require $121.9 billion in new obligational authority for fiscal year 1967 in the administrative

budget. The special costs of Vietnam represent $9.1 billion of this amount.

Of total new obligational authority:

- $106.3 billion requires action by the Congress this year.
- $15.6 billion represents permanent authorizations not requiring further congressional action; the largest of these is for interest on the public debt.

In addition to the new obligational authority required for the administrative budget, $42.6 billion will be available for the trust funds in 1967, an increase of $7.5 billion from the estimate for 1966. Most of this is in the form of automatically appropriated revenues from special taxes.

NEW OBLIGATIONAL AUTHORITY

[Fiscal years. In billions]

Description	1965 actual	1966 estimate	1967 estimate
Total authorizations requiring current action by Congress:			
Administrative budget funds	$93.6	$111.6	$106.3
Trust funds	1.6	.6	1.7
Total authorizations not requiring current action by Congress:			
Administrative budget funds	13.1	14.4	15.6
Trust funds	30.4	34.4	40.9
Total new obligational authority:			
Administrative budget funds	106.6	126.0	121.9
Trust funds	32.0	35.0	42.6

The total recommended for 1967 in the administrative budget is $4.1 billion below the estimate for 1966. Most of this decrease—$3.5 billion—is in the Department of Defense (including military assistance), reflecting the large supplemental appropriations requested for 1966 for financing special Southeast Asia costs.

New obligational authority in 1967 for all other agencies has been held at or below the 1966 levels wherever possible. The total estimated decline of $0.6 billion includes a number of significant changes in the authority requested for individual agencies and programs.

Major decreases other than for the Department of Defense are:

- $1.8 billion for the Department of Agriculture.
- $163 million for the National Aeronautics and Space Administration.
- $110 million for the Federal Aviation Agency.
- $103 million for the Atomic Energy Commission.

Major increases are:

- $1.4 billion for the Department of Health, Education, and Welfare.
- $750 million for interest on the public debt.
- $316 million for the Office of Economic Opportunity.

The administrative budget estimate for fiscal year 1966 includes a recommended $15.8 billion in new obligational authority not enacted to date. The special Vietnam supplemental represents $12.8 billion of this total. Other supplemental funds will be required to finance legislation enacted last year for which no funds have yet been provided, such as higher military and civilian pay and a Teacher Corps to help in the education of underprivileged children. Additional funds will also be needed for the Asian Development Bank and for the new activities authorized by the Elementary and Secondary Education Act of 1965 and the new hospital and medical insurance programs for the aged. Finally, relatively uncontrollable veterans benefits, public assistance grants, and disaster relief will require more funds than provided by the Congress last year.

FEDERAL PROGRAMS AND EXPENDITURES

The programs proposed in this budget are designed to serve the national interest to the full extent possible within an expenditure level appropriate to the time.

Our military needs are heavy. But they have not led us to a short-sighted policy of abandoning the war on poverty, ignorance, blight, and disease. We will continue to advance toward our goals for a Great Society. This budget provides for a significant increase in programs which attack urgent domestic problems.

To achieve better returns for the taxpayer's dollar, every Government activity has been subjected to exacting standards of necessity and priority. Some have been redirected to increase the benefits they produce, some have been reduced, and others have been eliminated. Savings from these actions are permitting greater expansions in programs of more immediate urgency.

Over the 3 years—from fiscal 1964 to 1967—the structure of the Federal budget will change substantially. Excluding special Vietnam costs, total administrative budget expenditures for *regular* Federal programs will rise by $4.6 billion, an increase of only 1½% per year.

Within the total, however, expenditure trends among various programs are sharply different. Between 1964 and 1967, combined expenditures on major programs directed toward the aims of the Great Society—

- in health
- in education
- in the war on poverty
- in manpower training
- in housing and community development

will rise by $6.2 billion. Unavoidable interest costs will rise by $2.1 billion. But expenditures on all other activities will decline by $3.7 billion.

200-000 O—66——2

THE CHANGING FEDERAL BUDGET

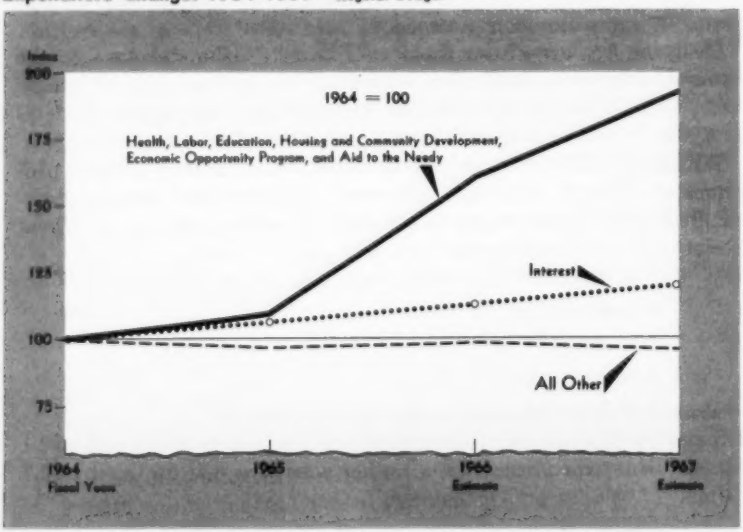
[Fiscal years. In billions]

Description	Administrative budget expenditures, excluding special Vietnam costs				
	1964 actual	1965 actual	1966 estimate	1967 estimate	Change, 1964 to 1967
Interest	$10.8	$11.4	$12.1	$12.9	+$2.1
Health, labor, education, housing and community development, economic opportunity program, and aid to the needy	6.7	7.3	10.8	12.9	+6.2
All other	80.2	77.6	78.8	76.5	−3.7
Total	97.7	96.4	101.7	102.3	+4.6

As we have moved forward with new programs to improve the quality of life for all Americans, we have sought to reduce or eliminate activities of lower priority, and to pursue every technique of modern management which reduces governmental costs. The expenditure trends since 1964 demonstrate anew what I have stated on many occasions in the past:

- a compassionate Government need not be a profligate Government.
- concern for the needs and aspirations of people can go hand in hand with responsibility and efficiency in the management of the public's business.

Expenditure Changes 1964-1967 – Regular Budget



The 1967 budget continues this approach. Net expenditures for Great Society programs rise by $2.1 billion—reflecting a gross increase of over $3 billion, partly offset by the substitution of private for public credit in several of these programs; interest costs rise by $0.8 billion; while all other regular expenditures decrease by $2.3 billion.

During the course of the year, unforeseeable events may call for prompt action by the Government. We will also want to act on matters—such as developing a civil supersonic transport—for which the amounts required cannot now be precisely estimated.

In addition, there are other matters—such as the pay and retirement benefits of Federal civilian employees—which are under study and on which decisions have not yet been reached. To make it clear that the budget totals provide adequately for such situations, I have included $500 million in new obligational authority and $350 million of expenditures as an allowance for contingencies.

PAYMENTS TO THE PUBLIC

[Fiscal years. In billions]

Function	1965 actual	1966 estimate	1967 estimate
Administrative budget expenditures:			
National defense	$50.2	$56.6	$60.5
Excluding special Vietnam costs	*(50.1)*	*(51.9)*	*(50.2)*
International affairs and finance	4.3	3.9	4.2
Excluding special Vietnam costs	*(4.3)*	*(3.8)*	*(4.0)*
Space research and technology	5.1	5.6	5.3
Agriculture and agricultural resources	4.9	4.3	3.4
Natural resources	2.8	2.9	3.1
Commerce and transportation	3.5	3.2	2.7
Housing and community development	−.1	.1	.1
Health, labor, and welfare	5.9	8.4	10.0
Education	1.5	2.3	2.8
Veterans benefits and services	5.5	5.1	5.7
Interest	11.4	12.1	12.9
General government	2.4	2.5	2.6
Allowance for contingencies		.1	.4
Interfund transactions (deduct)	.9	.6	.7
Total, administrative budget expenditures	96.5	106.4	112.8
Total, administrative budget, excluding special Vietnam costs	*(96.4)*	*(101.7)*	*(102.3)*
Trust fund expenditures:			
Health, labor, and welfare	23.2	26.6	31.1
Commerce and transportation	3.9	3.8	3.9
Housing and community development	1.1	2.0	1.2
National defense	.8	.9	.9
Veterans benefits and services	.6	.6	.7
All other	.7	.8	.9
Interfund transactions (deduct)	.6	.8	.8
Total trust fund expenditures	29.6	33.8	37.9
Intragovernmental transactions and other adjustments (deduct)	3.7	5.2	5.7
Total payments to the public	122.4	135.0	145.0
Total payments to the public, excluding special Vietnam costs	*(122.3)*	*(130.3)*	*(134.5)*

The following are my major expenditure recommendations:

National defense.—Aggressive forces are now testing our will and commitment to help a brave ally under attack. This Nation will continue to seek a just settlement in Vietnam. At the same time, we must provide the funds and forces required to sustain us until that goal is reached. The 1967 budget meets those requirements as we now see them.

The costs will not be light. Defense expenditures necessary to meet the special requirements in Southeast Asia will amount to $4.6 billion in 1966 and $10.3 billion in 1967. If early settlement is secured, many of these expenditures need never be made. But prudence requires that we budget for them at this time.

We must also continue to maintain defense forces equal to possible challenges elsewhere. The funds recommended in this budget provide for maintaining and improving the broad range of forces we need to meet all our defense requirements.

In 1967, we will:

- Improve our strategic missile forces with additional Minuteman II and Polaris A–3 missiles, with further development of the Poseidon submarine-launched missile, and with initial procurement of the Minuteman III missile to be delivered in future years.

- Initiate procurement of the new, high performance FB–111 to replace older, less effective bombers.

- Begin to purchase giant C–5A transport aircraft to increase greatly our airlift capability.

- Begin to build a new nuclear-powered aircraft carrier—our second—to augment the Navy's general purpose forces.

- Add to the readiness, mobility, and staying power of our conventional war forces.

- Continue the vigorous research and development programs vital to our continued ability to field the most modern and potent forces in the world.

While meeting our requirements in Vietnam and bolstering our forces, we must maintain our unrelenting efforts to operate our defense establishment efficiently and economically. In 1967, we will continue to weed out those forces and installations which have served their purpose and which are no longer essential. The successful Defense Cost Reduction Program will seek further savings. Moreover, because of the rising costs in Vietnam, we will defer certain programs where this can be done without harm to our defense capabilities.

These twin goals—insuring that we have the forces we need and operating them at the lowest reasonable cost—will require an increase of $4.0 billion in national defense outlays in 1967. In the absence of the special costs of supporting our operations in South Vietnam, however, defense expenditures would decline in 1967.

International affairs and finance.—As we meet the direct military threat to freedom and security, we must also continue our pursuit of a world at peace, in which:

- Freedom can thrive.
- Hunger and disease are no longer a common condition of life.
- Education is available to everyone.
- All people and nations prosper together.

The long-run security and the innate compassion of the American people both call for policies which bring such a world closer.

The Congress and the public rightly demand that our assistance programs be effective in achieving their objectives. In the past several months I have carefully reviewed these programs. As a result of that review I am proposing the following steps:

First, I shall send to the Congress a special message proposing major initiatives in international health and education. Healthy and educated people are the most important resource a nation can possess. Therefore, the 1967 budget provides for expanded activities in education and health as next steps toward a better world.

Second, I am proposing to expand and reorient our food and agricultural assistance to the hungry peoples of the developing countries. We will emphasize assistance to the recipient countries in raising their own agricultural production so that they may eventually lessen their dependence on food aid from the United States. In this effort, increased economic aid for agricultural development will be closely coordinated with a new Food for Peace program.

Increased expenditures of the Agency for International Development for activities in health, education, and agriculture are provided within an economic assistance budget which, apart from special Vietnam costs, is no higher than in 1966.

Third, we will step up our efforts to encourage recipient nations to take vigorous measures of self-help. Our economic assistance will be provided to countries which are taking determined steps to help themselves.

Fourth, we will further concentrate our economic assistance efforts. In 1967 almost two-thirds of expenditures by the Agency for International Development outside of South Vietnam will be in nine key developing countries.

Fifth, to increase the effectiveness of our assistance, I am proposing that the program be authorized for a 5-year period.

My recommendations will be set forth in greater detail in other messages.

We will carry forward our long-term commitment to the Alliance for Progress. To this end, funds are included in this budget for continued expansion of the resources of the Inter-American Development Bank's Fund for Special Operations. Our own Alliance activities are also being increased.

As part of a cooperative effort to promote economic development in Asia, I will propose legislation to authorize the United States to become a charter member of the Asian Development Bank. The budget also includes funds to pay our share of the current replenishment of the resources of the International Development Association. As soon as future needs and an appropriate sharing formula are determined, I will seek legislation to authorize additional contributions to this highly successful affiliate of the World Bank.

This budget will also enable us to expand the Peace Corps, of which we can be justly proud; to continue our overseas information activities; and to maintain our firm support of the United Nations.

Space research and technology.—Just over 60 years ago, man entered the age of controlled flight. Today, men orbit the earth at speeds measured in thousands of miles an hour. In 1967, less than 6 years after this Nation set the goal of a manned landing on the moon within the present decade, we will begin unmanned test flights of the giant Saturn V rocket and the Apollo spacecraft—the complete space vehicle required for achieving that goal. Later on in the 1960's, we will undertake the manned lunar mission itself.

Our many space achievements—both manned and unmanned—have dramatically advanced our scientific understanding and technological capabilities. They have also clearly demonstrated our remarkable progress in the peaceful exploration of space. In 1967, our large space projects will be progressing from the more expensive development phase into operational status, and new projects of equivalent cost will not be started. Accordingly, expenditures of the National Aeronautics and Space Administration are estimated to decline by $300 million in 1967. This level will sustain our progress in space exploration and continue the advancement of science and technology.

Agriculture and agricultural resources.—Our increasingly efficient agricultural production is a bulwark of strength for the Nation. It provides us with an ample supply of high quality food at home and a large volume of commercial exports. It also allows us to assist the economic development of other countries.

Our increasing productive efficiency, however, has not been fully matched by new employment opportunities for rural people who are no longer needed in farming and farm-related occupations. Consequently, large numbers of farmers and other rural people do not share fully in the benefits of this increased efficiency.

To help eligible rural people and communities participate more fully in all available Federal programs, the Department of Agriculture is expanding its services to advise and inform them about these programs and to furnish information to other Federal agencies about rural problems. The Department will also participate with other agencies and local representatives in establishing pilot multi-county development districts to coordinate the planning of programs to improve rural life.

The Food and Agriculture Act of 1965 represents a milestone in modernizing our farm commodity programs. Under this act, greater emphasis will be given to direct payments to farmers. Moreover, the Secretary of Agriculture will have more discretion in adapting farm programs to new conditions. Nevertheless, we must explore new approaches to the problems of commercial farming and seek new ways to adapt our programs for low-income people to rural conditions.

In November 1965, I appointed a National Advisory Commission on Food and Fiber and directed it to make a penetrating appraisal of all aspects of agricultural policy and to report in 18 months. The Commission's recommendations, along with valuable experience under the 1965 farm legislation and our general programs to help low-income people, should provide a firm basis for further improvements in programs for agriculture and rural people.

Natural resources.—In developing and conserving our natural resources, we must always look ahead to the Nation's changing needs.

We must act now to meet the outdoor recreation needs of our growing population and to preserve our historic and scenic sites. I again urge the Congress to authorize the national park, seashore, and lakeshore areas recommended in my message last year on Natural Beauty. I also recommend legislation to establish a Redwoods National Park in northern California. With some of California's magnificent State park lands as a nucleus and Federal acquisition of key adjoining lands, a substantial area of the redwoods will be preserved for future generations.

Water is a worldwide concern. It is often not available in the proper amount and quality, or at the time it is needed. Lack of water or poor use of it can be a major deterrent to the growth of developing nations. At my request, the Secretaries of the Interior and State, together with other concerned agencies, are preparing a program to cooperate with other nations in finding solutions to the world's water problems.

Future water supplies both at home and abroad can be greatly expanded by the economical conversion of sea and brackish water. The Office of Saline Water, in conjunction with the Atomic Energy Commission and other agencies, is intensifying its research efforts on this problem. The 1967 budget includes funds for the Office of Saline Water to complete construction of an advanced distillation unit at the west coast test center. This project will accelerate development of large-scale economical processes for converting sea water to fresh water.

The 1967 budget provides for starting construction on a number of new water resources projects. These projects represent a national investment in land, water, and power resources which will yield dividends for years to come.

Improved use of nuclear energy will assure a major source of economical power for the future. In working toward this objective, the Atomic Energy Commission is intensifying its long-term program to develop "fast breeder" nuclear power reactors which, by producing more fuel than they consume, would greatly expand usable energy resources.

Commerce and transportation.—In the year ahead, strong overall economic growth will contribute importantly to the improvement of conditions in the Nation's depressed areas. In addition, the 1967 budget provides for an orderly expansion in Federal assistance for those areas.

The Public Works and Economic Development Act of 1965 has given us new means for helping develop depressed areas throughout the Nation. Loans, grants, and technical assistance will be provided. The Federal Government will also offer special incentives in 1967 for consolidating such areas into development districts better able to plan and achieve economic expansion.

The special development program for the Appalachian region will continue at a rapid pace. This unique Federal-State effort provides new opportunities for the 17½ million people of the region through highway construction, natural resource development, and construction of needed public facilities.

The new Office of State Technical Services in the Department of Commerce will be in its first full year of operation in 1967. This Office will make grants to State and regional centers to provide the latest scientific and technical findings to American business.

An efficient and safe transportation system is essential to a nation whose economy is growing, whose population is increasing, and whose urban areas are expanding at a very rapid rate. Nearly one-fifth of our annual gross national product is spent on transportation of people and goods.

The Federal Government is not now organized to deal effectively with this major segment of the American economy. Public programs for research, promotion, and investment in transportation are scattered among a host of Federal agencies. Where we need consolidation we find fragmentation. I shall propose, in a later message to the Congress, the creation of a new Department of Transportation to provide a realistic and consistent approach to the Nation's transportation problems.

There is no single statistic of American life more shocking than the toll of dead and injured on our highways. Each day we kill 135 of our fellow citizens—each year we injure 3 million more. I will shortly recommend to the Congress a major new highway safety program providing for the reorganization and centralization of the Federal Government's highway safety activities and a sharp expansion of their scope. The program will give particular attention to comprehensive research into the causes and prevention of highway accidents and to cooperative efforts with State and local governments in strengthening accident-prevention programs.

We will continue to give special attention to the transportation problems facing our growing cities and metropolitan areas. Research and demonstrations to improve intercity high speed ground transportation and urban mass transit will be actively pursued next year.

During the past year progress made by industry on the development of a civil supersonic transport aircraft has been promising. I will therefore propose to the Congress a joint Government-industry program to build the prototype of a safe and commercially profitable supersonic airplane.

Housing and community development.—During its last session, the Congress passed two far-reaching acts that greatly improve our ability to solve the problems of:

- Providing good housing for those who cannot now afford it.
- Restoring the central cores of the cities.
- Achieving a rational pattern of growth in metropolitan areas.

The Housing and Urban Development Act of 1965 is the most important piece of substantive legislation for the American city since the Housing Act of 1949. The act creating the Department of Housing and Urban Development will enable the Government to launch a coordinated attack on the problems of housing and the city.

The new programs authorized by the 1965 legislation must be effectively carried out. Accordingly, this budget provides funds for:

- Maximum use of existing housing in the low-rent public housing program.
- Well-planned water and sewer systems.
- Beautification of our cities.
- Facilities to house social services and recreation in lower income neighborhoods.

The 1967 budget also provides for full use of the rent supplement program. I ask that the Congress immediately take the action needed to start this necessary program.

Federal aid will be approved in 1967 for over 160,000 additional housing units for low- and moderate-income families and elderly individuals. Progress will continue on restoring older areas of cities, and greater emphasis will be given to rehabilitation and provision of land for housing that most people can afford.

Public actions to improve poor housing conditions, to upgrade deteriorating neighborhoods, and to tackle the social blight associated with slums too often have not worked to support each other's objectives. The leadership resources of private business, civic, and labor organizations have not been fully utilized in formulating and carrying out the actions needed to preserve for all citizens the human dimensions of city life. I am requesting legislation authorizing assistance to qualifying cities across the Nation to show how complex and intertwined urban problems can be effectively attacked on a large scale through the coordinated use of local, State, and Federal programs.

I again urge the Congress to grant home rule to the District of Columbia so that its citizens may exercise the right of self-government enjoyed by other Americans.

Health, labor, and welfare.—Outside of defense, the Federal Government's largest outlays are devoted to improving the Nation's health, protecting workers and their families against loss of income, and assisting the disadvantaged to overcome poverty and unemployment.

Last year, the Congress enacted more than a score of major bills which will advance us toward the goal of a better and more secure life for our citizens. This was an unsurpassed achievement. However, there are still a number of important gaps which we should begin now to fill.

Health.—Last year, the enactment of Medicare marked a milestone in the social history of the United States. To make that legislation effective and to assure that the American people have access to high quality medical care at reasonable costs, we need to concentrate our efforts on the provision of adequate medical facilities and manpower. The 1967 budget is designed to that end. Increased funds are made available

under legislation enacted last year to help educate more doctors, dentists, nurses, and graduate public health personnel. Funds are also provided for newly enacted programs to increase the number of community mental health centers and help support their staff. I shall propose legislation to assist our communities in modernizing and replacing older hospitals. Similarly, legislation should be enacted to extend training assistance to medical assistants and other health personnel not now eligible.

Apart from Medicare and other programs I have already mentioned, the impressive listing of health measures passed last year and financed in this budget includes:

- Regional medical programs to provide up-to-date diagnosis and treatment for heart disease, cancer, stroke, and related diseases.
- Comprehensive medical treatment and care for preschool and school age needy children in selected areas of low income.
- Increased efforts to safeguard and purify the air we breathe.
- Improvements in vocational rehabilitation so that over 200,000 disabled or handicapped people can return to productive work.

Pollution control.—Clean and sparkling rivers ought to be a part of every American's environment. I intend to propose a new and expanded program to combat the problem of polluted water. This program will call for the improved enforcement authority needed to conquer pollution. It will also provide for large-scale cooperative efforts of Federal, State, and local governments to show how pollution can be eliminated throughout entire river basins.

Labor.—I urge enactment of legislation to:

- Provide long-needed improvements in our unemployment compensation system.
- Repeal Section 14(b) of the Taft-Hartley Act.
- Increase the minimum wage and extend protection of the Fair Labor Standards Act to over 5 million more workers.

Activities under the Manpower Development and Training Act of 1962 will be reoriented in 1967 to place more emphasis on the training of persons who now have little or no skill. Special attention will also be given to training for skills in particularly short supply. Not only will this raise the earnings of the poor, but it will increase the availability of productive labor to meet the demands of our expanding economy.

Economic opportunity programs.—The war on poverty launched in 1965 will continue to help low-income people develop the skills and abilities needed for them to break out of the cycle of poverty handed down from one generation to the next. The budget will increase this program to reach individuals whom even full prosperity does not touch.

In 1967, community action programs will be in effect in 900 communities, making a concerted attack on the poverty in their midst. The Head Start preschool program, the Neighborhood Youth Corps, and the Job Corps will again help at least 1 million children and youths. Work experience, adult literacy, small business loans, and special employment projects will help over 250,000 adults.

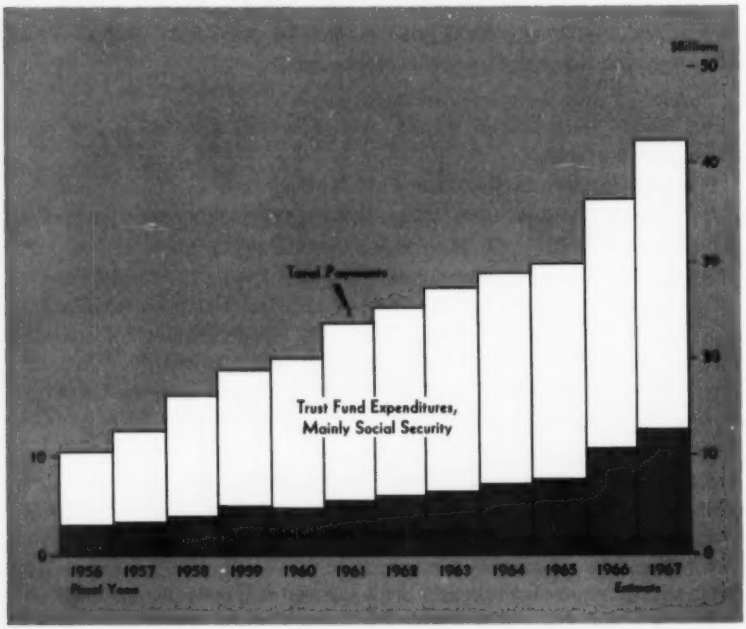
Other aids to the needy.—I intend to propose legislation to:

- Strengthen programs giving assistance to unemployed parents of needy children by providing work experience, services, and training to equip them for regular employment.
- Improve the nutrition of needy children.

Older programs will be redirected, shifting more of their resources to helping the disadvantaged:

- The school lunch and special milk programs will focus more on needy children, helping to provide them with adequate and well-balanced meals.
- The public assistance program will provide more financial aid and better medical care to families with dependent children.
- The Federal-State vocational rehabilitation program will enroll more handicapped persons who are receiving public assistance.

Payments for Health, Labor, Welfare, and Education



Education.—There is no greater challenge than that of providing our children and youth with the opportunity to develop fully their talents and interests. Education is vital to the achievement of a Great Society and is our major weapon in the war on poverty.

The 89th Congress has made education history. It has truly opened the doors of opportunity to preschool, elementary, secondary, and college education for millions of our young people. The Elementary and Secondary Education Act of 1965 and the Higher Education Act of 1965 will benefit this generation and clear the way to greater opportunity for future generations.

This budget reflects the added Federal responsibility for improving our Nation's educational system. The expenditures proposed for 1967 are more than 85% above the 1965 level. In 1967 this will make possible:

- An increase of $905 million in expenditures for school aid under the Elementary and Secondary Education Act of 1965, mostly for grants to improve the education of more than 7.5 million disadvantaged children.
- A Teacher Corps of more than 3,700 members to serve in schools with large numbers of children from low-income families.
- Scholarships, loans, and part-time work for well over one million college students, 3 times the number in 1965.
- Commitments exceeding $1 billion for loans and grants to help more than 1,300 colleges build needed academic and college housing facilities.

We should continue to build upon the programs to enlarge educational opportunity and improve the quality of teaching. The Elementary and Secondary Education Act of 1965 should be extended beyond June 30, 1966, and improved. To increase its effectiveness, the income criterion for allocating funds for fiscal year 1968 should be raised from $2,000 to $3,000 and the incentive grant provision should be dropped.

Veterans benefits and services.—The Nation properly provides special help to those who suffer disabilities while in the service of our country; this help is extended through programs of income maintenance, vocational rehabilitation, and medical care. We also have a continuing obligation to the widows and children of those who have died in performing military service.

The first session of the 89th Congress recognized both of these basic trusts by:

- Increasing disability compensation payments.
- Liberalizing vocational rehabilitation benefits.
- Affording more generous allowances for children receiving educational aid under the War Orphans Act.
- Providing a new program of insurance coverage for men in our uniformed services.

We are currently engaged in armed conflict and have called upon the youth of our Nation to serve in that conflict. We should develop and expand programs to ease their readjustment to civilian life by providing education and training assistance.

The 1967 budget also provides for further improvements in the high quality of medical care administered in VA hospitals. New services will continue to be added to bring to veterans the latest advances of medical science.

Veterans programs should continue to emphasize the needs of the service-disabled. All veterans and their families are, of course, eligible to participate in the steadily improving general health, education, and welfare programs provided by the Government for all citizens.

General government.—Action by the Congress is urgently needed in several different areas of governmental responsibility.

In recent years, we have made giant strides toward the goal of *equal rights* for all citizens. We still have far to go. To guarantee equal protection to individuals and to minorities under the law, there are clear and positive additional legislative actions which must be taken. I will shortly recommend such actions to the Congress.

A Great Society cannot be marked by rising *crime* rates. Americans, rich and poor, are as one on this. In 1965, I proposed and the Congress enacted the Law Enforcement Assistance Act. Under that program Federal, State, local, and private institutions can work together to:

- Improve training of law enforcement personnel.
- Promote research and spread information on law enforcement and correctional techniques.
- Strengthen the administration of justice.

The 1967 budget provides for an 89% increase in the funds allotted to this program.

I am determined to take whatever further steps are necessary to combat crime. I will propose to the Congress additional legislation to meet that objective.

The *stockpile* of strategic and critical materials will be reduced further in 1967 as we continue to dispose of materials excess to our long-term needs. To permit management improvements and reduce costs, legislation should be enacted to consolidate inventories and facilitate disposals from the stockpile.

PUBLIC DEBT

The size of the public debt varies from year to year primarily as a result of the Government's surplus or deficit. Based on the estimates of receipts and expenditures in this budget, the debt on June 30, 1966, will be $320.0 billion. On June 30, 1967, it will have risen to $321.7 billion.

PUBLIC DEBT AT END OF YEAR

[Fiscal years. In billions]

Description	1964 actual	1965 actual	1966 estimate	1967 estimate
Owned by Federal agencies and trust funds	$60.7	$63.0	$64.9	$69.9
Owned privately and by Federal Reserve banks	251.8	254.8	255.1	251.8
Total	312.5	317.9	320.0	321.7

Note.—For further details see table 11 in part 2 of this document.

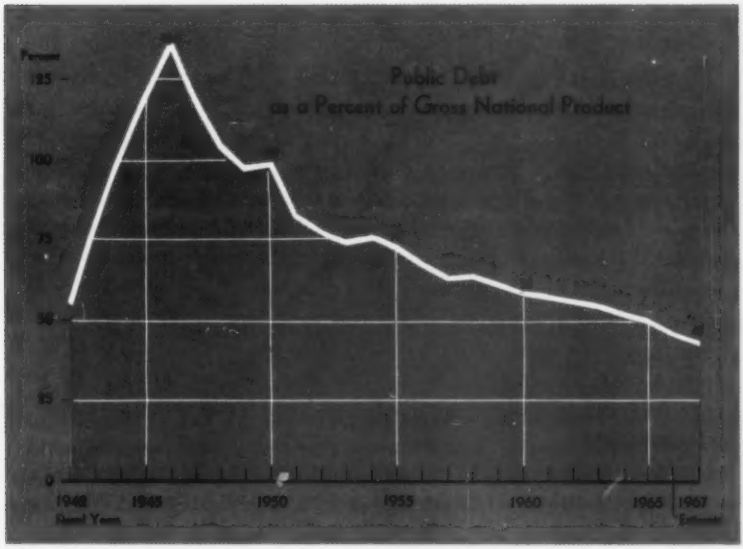
Present law provides a temporary debt limit of $328 billion until June 30, 1966. After that date—if no action is taken—the limit will revert to the permanent ceiling of $285 billion. It is necessary, therefore, that the ceiling for the period after June 30, 1966, be raised.

A workable debt limit should allow for two factors in addition to the estimated size of the debt at the end of fiscal year 1967:

- Seasonal fluctuations in the size of the debt.
- The need for flexibility in managing the debt.

The first is necessary to allow for periods when the debt will exceed the end-of-year total. This results from the seasonal pattern of receipts, which are lower in the first half of the fiscal year.

Adequate provision for flexibility will permit the Treasury to take full advantage of favorable market conditions and thus avoid unnecessary interest costs.



IMPROVING GOVERNMENT MANAGEMENT

As a Nation we have much to do. We have the will. We have the resources. But we must conserve these resources, investing them wisely. We dare not waste them.

This calls for improved Government organization, better programing, cost reduction, and effective employment policies. I intend shortly to present the Congress with a number of proposals designed to accomplish these objectives.

Government organization.—In moving toward the goals of the Great Society, the enactment of substantive legislation is only the first step. The 89th Congress has, through its accomplishments to date, provided the basis for advancing in such critical areas as civil rights, economic opportunity, medical care for our older citizens, improvement of our cities, and regional development.

However, if these laws are to produce the desired results—effectively and at minimum cost to the taxpayer—we cannot afford to cling to organizational and administrative arrangements which have not kept pace with our changing needs.

Government organization must provide for fast and flexible response to new problems and conditions. We must be as bold and imaginative in reshaping and modernizing the executive branch as we have been in devising new programs. A structure designed in major part to carry out programs and policies of the 1950's and earlier years will not give us the organization we need as we move toward the 1970's. I will propose shortly to the Congress a series of reorganization measures which will enable the Government to manage its business more effectively.

Federal, State, and local coordination.—Many of our critical new programs involve the Federal Government in joint ventures with State and local governments in thousands of communities throughout the Nation. The success or failure of those programs depends largely on timely and effective communications and on readiness for action on the part of both Federal agencies in the field and State and local governmental units. We must strengthen the coordination of Federal programs in the field. We must open channels of responsibility. We must give more freedom of action and judgment to the people on the firing line. We must help State and local governments to deal more effectively with Federal agencies. We must see that information gets to the field and to cooperating State and local governments, promptly and accurately.

I intend to see to it that this dimension of the new public management receives major attention and action in the coming year.

Planning-programing-budgeting system.—I have directed the executive branch to develop and introduce a new planning-programing-budgeting system which will incorporate the most modern management techniques now used in government and industry. This system will enable us to:

- Be more concrete and precise about the objectives of our programs.
- Examine longer term problems and consequences more systematically.
- Consider more alternatives before reaching decisions.
- Link our planning efforts more directly to budget decisions.
- Get more effectiveness for the dollars we spend.
- Provide more benefits to the American people in more economical ways.

During the next year, I expect to see much progress made in this system with results that will be reflected in the budget for fiscal year 1968.

Substitution of private for public credit.—In recent budgets, I have pressed for the encouragement of private financing in the major Federal credit programs wherever I have felt it to be consistent with the public interest. I will need the cooperation of the Congress to carry this effort still farther in the coming year.

This is an important and sensible way to manage our Federal credit programs. I, therefore, urge prompt action on legislation being proposed to authorize a considerable expansion in the sale of participations in Government loans. The budget assumes its enactment. With the authority provided by such legislation, my budget proposals for encouraging the substitution of private for public credit will reduce 1967 expenditures by $4.7 billion from what they would have been otherwise.

Automatic data processing.—The Federal Government has obtained great benefits from the use of electronic computers. With the direct annual cost of acquiring and operating this equipment now in the range of $2 billion, I intend to make sure that this huge investment is managed efficiently—through such means as research, equipment sharing, careful purchasing, and coordinated Government-wide utilization policies.

Cost reduction.—During the past 2 years, I have not ceased to demand an exacting standard of cost-consciousness in every department and bureau of the executive branch. I believe neither in padded budgets nor in lax habits of organization and management. Every dollar of expenditure must produce results. I expect each Government employee to spend the public dollar with the same care and concern he would exercise if it came out of his own paycheck.

200-000 O—66——3

In preparing this budget, all existing programs have been reexamined closely. Wherever a program could be cut back on grounds of less priority, I have cut it. Despite the appeal of many of these programs to affected groups, I urge the Congress not to restore them to their previous levels.

There are many ways to reduce costs and eliminate unnecessary spending:

- By curtailing or eliminating activities of declining importance.
- By closing marginal branch offices or installations.
- By pooling common services.
- By simplifying organization.
- By increasing productivity.
- By installing up-to-date systems and equipment.
- By interagency coordination of plans and operations.
- By stringent budgetary reviews.

Last March, I set in operation a Government-wide, formal program for systematic cost reduction in which each agency must identify savings goals for the year ahead and report to me on actual results. This program is working.

Agencies have identified specific savings in 1965 and 1966. Additional savings will be made in 1967. Altogether, the civilian cost reduction program will reduce the costs of operating the Government by some $1 billion in each of the fiscal years 1966 and 1967.

The Department of Defense accomplished $4.8 billion of savings in fiscal year 1965, and the annual rate of savings in that Department is expected to exceed $6 billion in 1969.

No agency, regardless of size or importance, is exempted from the duty to save the taxpayer's money by better management and alert business methods.

One of the most gratifying developments to come to my attention is the remarkable progress of Government agencies in *improving productivity*. With workloads increasing in nearly every category of Government activity, the only way to restrain mounting Federal employment is by persistent management improvement and higher productivity. These are just a few of the changes in productivity which are reflected in this budget:

- The Social Security Administration is achieving a productivity gain of 2½% by automating the recomputation of benefits, with a saving of 1,742 man-years and $12.4 million.
- The Post Office Department's budget reflects an increase in mail processing productivity of 1.4%, resulting in a saving of 3,900 man-years and $23 million.

• The Federal Aviation Agency is increasing productivity by 5% in airways facilities operation and maintenance, thus absorbing nearly all the workload increase resulting from the growth in aviation activity, with a budget saving of almost $4 million.

• By using advanced medical techniques, the Veterans Administration has been able to reduce the duration of patient stay in its hospitals. In 1967, about 1% more patients can be accommodated than in 1966. This means that the same number of beds operated in 1966 will take care of 7,000 more patients in 1967.

These actions are the result of tireless effort by many officials and employees of the Federal Government. It is often harder work to save money than to find productive ways to spend it. But it is equally important to the public interest.

I believe we are making good progress in reducing costs and improving efficiency, but I will never be satisfied that we have done all we should. I expect the top officials of every department and agency to press hard in the coming year to do still better—and not only in headquarters operations. Only 10% of all Federal employees are in Washington—most of our employees and operations are spread throughout the 50 States and oveaseas. I intend to stress particularly this year the urgency of management improvement and better public service in the field establishment of the Federal Government.

CONCLUSION

This Nation has committed itself to help defend South Vietnam against aggression. We are determined to fulfill that commitment.

This Nation has also committed itself to a major effort to provide better economic, social, and cultural opportunities for all Americans. We are also determined to fulfill this commitment.

Both of these commitments involve great costs. They are costs we can and will meet.

The objectives we are seeking are interdependent.

We cannot fight for peace and freedom in Vietnam, while sacrificing individual dignity and opportunity at home. For it would be a hollow victory if our pursuit of world peace were carried out at the expense of domestic progress.

Yet we must also recognize that a truly Great Society looks beyond its own borders. The freedom, health, and prosperity of all mankind are its proper concern.

The struggle in Vietnam must be supported. The advance toward a Great Society at home must continue unabated.

This budget provides the means for both these goals.

I urge the support of Congress and all Americans for its principles and its programs.

LYNDON B. JOHNSON.

JANUARY 24, 1966.

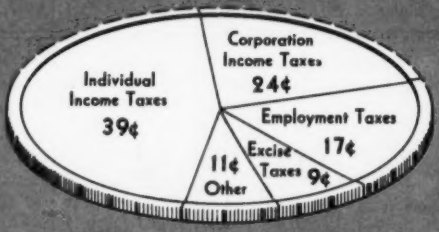
PART 2

SUMMARY TABLES

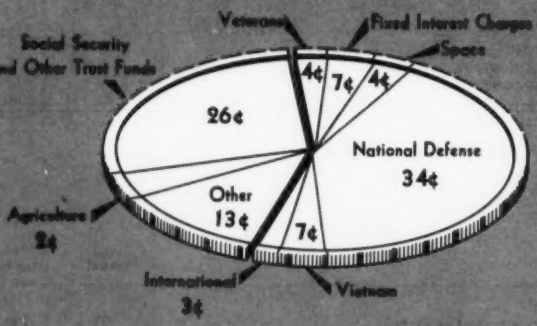
THE GOVERNMENT DOLLAR

Administrative Budget and Trust Funds

Where it comes from . . .



Where it goes . . .



Fiscal Year 1967 Estimate

Table I. BUDGET RÉSUMÉ (in billions of dollars)

ADMINISTRATIVE BUDGET AND TRUST FUND RECEIPTS AND EXPENDITURES

Description	ADMINISTRATIVE BUDGET FUNDS			TRUST FUNDS		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
RECEIPTS						
Individual income taxes	48.8	51.4	56.2			
Corporation income taxes	25.5	29.7	34.4			
Employment taxes				16.9	18.8	24.3
Excise taxes	10.9	9.2	8.9	3.7	3.9	4.4
Unemployment tax deposits by States				3.1	2.9	2.9
Other receipts	8.8	10.4	12.2	8.1	8.8	10.8
Interfund transactions	−.9	−.6	−.7	−.6	−.8	−.8
Total receipts	93.1	100.0	111.0	31.0	33.5	41.6
EXPENDITURES						
National defense	50.2	56.6	60.5	.8	.9	.9
International affairs and finance	4.3	3.9	4.2	−.2	.2	.1
Space research and technology	5.1	5.6	5.3	*	*	*
Agriculture and agricultural resources	4.9	4.3	3.4	.9	.6	.6
Natural resources	2.8	2.9	3.1	.1	.1	.1
Commerce and transportation	3.5	3.2	2.7	3.9	3.8	3.9
Housing and community development	−.1	.1	.1	1.1	2.0	1.2
Health, labor, and welfare	5.9	8.4	10.0	23.2	26.6	31.1
Education	1.5	2.3	2.8	*	*	*
Veterans benefits and services	5.5	5.1	5.7	.6	.6	.7
Interest	11.4	12.1	12.9			
General government	2.4	2.5	2.6	*	*	*
Deposit funds (net)				−.2	−.2	*
Allowance for contingencies		.1	.4			
Interfund transactions	−.9	−.6	−.7	−.6	−.8	−.8
Total expenditures	96.5	106.4	112.8	29.6	33.8	37.9
Excess of receipts (+) or expenditures (−)	−3.4	−6.4	−1.8	+1.4	−.2	+3.7

CONSOLIDATED SUMMARY

Description	1965 actual	1966 estimate	1967 estimate
Cash receipts:			
Administrative budget receipts	93.1	100.0	111.0
Trust fund receipts	31.0	33.5	41.6
Intragovernmental and other noncash transactions	−4.4	−5.4	−7.1
Total receipts from the public	119.7	128.2	145.5
Cash expenditures:			
Administrative budget expenditures	96.5	106.4	112.8
Trust expenditures	29.6	33.8	37.9
Intragovernmental and other noncash transactions	−3.7	−5.2	−5.7
Total payments to the public	122.4	135.0	145.0
Excess of receipts from (+) or payments to (−) the public	−2.7	−6.9	+.5

Note.—For explanation of administrative budget funds and trust funds, see page 164. For details on receipts, see table 13 on pages 60 to 66. For details on expenditures, see table 14 on pages 145 to 159; for further detail, by agency and account, see pages 168 to 375.

*Less than $50 million.

Table 2. **RECEIPTS FROM AND PAYMENTS TO THE PUBLIC (CONSOLIDATED CASH BASIS)** (in billions of dollars)

Description	1965 actual	1966 estimate	1967 estimate
RECEIPTS FROM THE PUBLIC			
Individual income taxes	48.8	51.4	56.2
Corporation income taxes	25.5	29.7	34.4
Employment taxes	16.9	18.8	24.3
Excise taxes	14.6	13.0	13.3
Unemployment tax deposits by States	3.1	2.9	2.9
Estate and gift taxes	2.7	2.9	3.3
Customs	1.4	1.7	1.8
Veterans life insurance premiums	.5	.5	.5
Other receipts	6.3	7.2	8.8
Total receipts from the public	119.7	128.2	145.5
PAYMENTS TO THE PUBLIC			
National defense	50.8	57.4	61.4
International affairs and finance	4.6	4.1	4.4
Space research and technology	5.1	5.6	5.3
Agriculture and agricultural resources	5.4	4.6	3.6
Natural resources	2.8	2.9	3.0
Commerce and transportation	7.4	7.0	6.6
Housing and community development	.9	2.0	1.2
Health, labor, and welfare	28.3	34.1	39.3
Education	1.5	2.3	2.8
Veterans benefits and services	6.1	5.6	6.4
Interest	8.6	9.3	10.2
General government	2.3	2.4	2.5
Deposit funds (net)	−.2	−.2	*
Allowance for contingencies	----------	.1	.4
Other undistributed adjustments:			
Agency payments for employee retirement	−1.0	−1.1	−1.1
Deduction from employees' salaries for retirement	−1.0	−1.1	−1.1
Increase (−) or decrease in outstanding checks, etc	.9	−.1	.1
Total payments to the public	122.4	135.0	145.0
Excess of receipts from (+) or payments to (−) the public	−2.7	−6.9	+.5

Note.—This table shows the flow of money between the Government and the public on a cash (collections and checks paid) basis. For fuller explanation, see special analysis A (pp. 378 to 386).

*Less than $50 million.

Table 3. **NEW OBLIGATIONAL AUTHORITY BY TYPE AND FUNCTION**
(in billions of dollars)

Description	ADMINISTRATIVE BUDGET FUNDS			TRUST FUNDS		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
TYPE						
Authorizations requiring current action by Congress:						
Appropriations [1]	91.7	109.5	106.4	0.6	0.5	0.6
Reappropriations	*	*				
Authorizations to spend debt receipts	.6	.9	−.4			
Contract authorizations	1.2	1.2	.2	1.1	.1	1.1
Total authorizations requiring current action by Congress	93.6	111.6	106.3	1.6	.6	1.7
Authorizations not requiring current action by Congress (permanent):						
Appropriations [1]	12.2	12.9	13.8	26.7	29.0	36.4
Authorizations to spend debt receipts	.5	*	.9	.1	.3	.1
Contract authorizations	.4	1.5	1.0	3.6	5.2	4.3
Total authorizations not requiring current action by Congress (permanent)	13.1	14.4	15.6	30.4	34.4	40.9
Total new obligational authority	106.6	126.0	121.9	32.0	35.0	42.6
FUNCTION						
National defense	53.2	65.8	62.2	.8	1.1	1.2
International affairs and finance	6.7	5.5	5.2	*	.2	*
Space research and technology	5.2	5.2	5.0	*	*	*
Agriculture and agricultural resources	4.3	5.9	4.2	*	*	*
Natural resources	3.0	3.1	3.1	.2	.2	.2
Commerce and transportation	3.3	3.9	3.4	3.9	4.1	4.4
Housing and community development	1.3	1.8	1.6	.5	.7	.6
Health, labor, and welfare	7.5	9.7	11.0	25.8	28.0	35.4
Education	2.4	4.3	4.2	*	*	*
Veterans benefits and services	5.8	6.0	6.1	.7	.7	.7
Interest	11.4	12.1	12.9			
General government	2.5	2.6	2.6	*	*	*
Allowance for contingencies		.1	.5			
Total new obligational authority	106.6	126.0	121.9	32.0	35.0	42.6

Note.—New obligational authority is the amount becoming available by act of Congress for the incurring of obligations which will result in expenditures. The various types of new obligational authority are explained on pages 164 and 165. For detailed information on new obligational authority by agency and account, see pages 168 to 375.

* Less than $50 million.

[1] Excludes appropriations to liquidate contract authorizations:
Administrative budget funds, 1965, $1.8 billion; 1966, $2.2 billion; 1967, $2.5 billion.
Trust funds, 1965, $4.7 billion; 1966, $4.8 billion; 1967, $5.0 billion.

Table 4. **NEW OBLIGATIONAL AUTHORITY BY AGENCY** (in millions of dollars)

Description	1965 enacted	1966 estimate			1967 estimate		
		Enacted	Supplemental needed	Total	Transmitted herein	Later transmittal	Total
ADMINISTRATIVE BUDGET FUNDS							
Legislative Branch	171	258	3	261	239	.....	239
The Judiciary	76	82	2	85	93	.....	93
Executive Office of the President	26	27	*	27	31	.....	31
Funds appropriated to the President	5,835	5,721	610	6,331	5,617	20	5,637
Department of Agriculture	7,433	8,385	45	8,430	6,993	−378	6,615
Department of Commerce	1,007	1,092	5	1,096	1,275	−132	1,143
Department of Defense—Military	49,363	48,629	13,209	61,838	58,938	.....	58,938
Department of Defense—Civil	1,318	1,380	25	1,405	1,358	.....	1,358
Department of Health, Education, and Welfare	7,131	9,244	1,113	10,358	11,654	60	11,714
Department of Housing and Urban Development	1,450	1,960	27	1,988	2,173	−738	1,435
Department of the Interior	1,335	1,427	−30	1,397	1,432	−42	1,390
Department of Justice	385	380	8	388	405	.....	405
Department of Labor	668	704	.....	704	696	−23	673
Post Office Department	781	674	255	930	836	.....	836
Department of State	396	401	2	403	402	.....	402
Treasury Department	12,802	13,514	28	13,542	14,299	.....	14,299
Atomic Energy Commission	2,625	2,366	.....	2,366	2,263	.....	2,263
Federal Aviation Agency	727	859	10	868	758	.....	758
General Services Administration	617	588	6	594	628	.....	628
National Aeronautics and Space Administration	5,250	5,175	.....	5,175	5,012	.....	5,012
Veterans Administration	5,792	5,690	312	6,002	5,960	100	6,060
Other independent agencies	1,303	1,572	21	1,593	1,373	.....	1,373
District of Columbia	118	95	6	101	80	23	104
Allowance for contingencies	.....	.....	100	100	.....	500	500
Total administrative budget	106,608	110,225	15,757	125,982	122,514	−609	121,904
TRUST FUNDS							
Department of Commerce	3,907	4,118	.....	4,118	4,078	283	4,361
Department of Health, Education, and Welfare	17,684	19,891	.....	19,891	27,058	.....	27,058
Department of Labor	4,132	3,910	.....	3,910	3,946	−23	3,923
Veterans Administration	712	723	.....	723	724	.....	724
Civil Service Commission	2,664	2,770	.....	2,770	2,851	.....	2,851
Railroad Retirement Board	1,337	1,419	.....	1,419	1,584	.....	1,584
Other agencies	1,566	2,210	7	2,217	2,078	5	2,082
Total trust funds	32,002	35,041	7	35,048	42,320	265	42,584

Note.—For explanation of the columnar headings for 1966 and 1967, see pages 166 and 167. For detailed information on new obligational authority by agency and account, see pages 168 to 375.

*Less than $500 thousand.

Table 5. **EXPENDITURES BY AGENCY** (in millions of dollars)

Description	1965 actual	1966 estimate			1967 estimate		
		Enacted	Supplemental needed	Total	Transmitted herein	Later transmittal	Total
ADMINISTRATIVE BUDGET FUNDS							
Legislative Branch	165	189	3	191	205	*	205
The Judiciary	75	82	2	84	93	*	93
Executive Office of the President	24	28	*	29	31	*	31
Funds appropriated to the President	4,307	4,498	370	4,868	4,638	390	5,028
Department of Agriculture	7,298	7,053	−164	6,889	6,610	−812	5,798
Department of Commerce	758	804	4	808	1,033	−110	923
Department of Defense—Military	46,173	48,236	4,689	52,925	53,000	4,150	57,150
Department of Defense—Civil	1,234	1,311	4	1,314	1,361	9	1,369
Department of Health, Education, and Welfare	5,740	7,100	562	7,662	10,076	115	10,191
Department of Housing and Urban Development	250	416	21	436	1,089	−1,503	−414
Department of the Interior	1,205	1,293	−51	1,242	1,388	−66	1,322
Department of Justice	358	377	7	384	404	1	405
Department of Labor	480	520	2	522	539	−17	522
Post Office Department	805	635	243	878	742	12	755
Department of State	383	406	2	407	405	*	405
Treasury Department	12,730	13,402	28	13,429	14,247	1	14,247
Atomic Energy Commission	2,625	2,390	-------	2,390	2,300	-------	2,300
Federal Aviation Agency	795	791	9	800	839	1	840
General Services Administration	622	592	6	598	633	*	633
National Aeronautics and Space Administration	5,093	5,600	-------	5,600	5,300	-------	5,300
Veterans Administration	5,488	4,866	311	5,177	5,628	91	5,718
Other independent agencies	708	632	−331	301	656	−381	275
District of Columbia	61	59	6	65	88	23	111
Allowance for contingencies	-------	-------	75	75	-------	350	350
Subtotal	97,377	101,279	5,797	107,075	111,305	2,254	113,559
Interfund transactions	−870			−647			−712
Total administrative budget	96,507			106,428			112,847
TRUST FUNDS							
Department of Commerce	4,047	4,008	-------	4,008	4,017	110	4,127
Department of Health, Education, and Welfare	17,460	20,833	8	20,841	25,144	-------	25,144
Department of Labor	3,130	2,890	*	2,891	2,947	*	2,947
Veterans Administration	617	547	-------	547	673	-------	673
Civil Service Commission	1,402	1,608	-------	1,608	1,733	-------	1,733
Railroad Retirement Board	1,185	1,239	1	1,240	1,274	-------	1,274
Other agencies	2,435	3,439	7	3,446	2,746	5	2,751
Subtotal	30,276	34,564	16	34,581	38,534	115	38,649
Interfund transactions	−638			−795			−767
Total trust funds	29,637			33,786			37,882

Note.—For explanation of the columnar headings for 1966 and 1967, see pages 166 and 167. For detailed information on expenditures by agency and account, see pages 168 to 375.

*Less than $500 thousand.

Table 6. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES**
(in millions of dollars)

Description	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS			
Additions to Federal assets:			
Civil:			
Loans	1,547	−55	−2,492
Investments	326	122	154
Public works—sites and direct construction	2,773	2,924	2,859
Other	−170	385	349
National defense	14,007	16,273	17,854
Total, additions to Federal assets	18,483	19,648	18,724
Additions to State, local, and private assets:			
Civil	1,535	1,694	2,170
National defense	19	17	21
Total, additions to State, local, and private assets	1,554	1,711	2,191
Expenditures for other developmental purposes:			
Civil:			
Research and development	5,902	6,888	7,030
Other	2,182	3,614	5,508
National defense:			
Research and development	7,867	8,028	8,071
Other	17	17	19
Total, other developmental expenditures	15,967	18,547	20,629
Current aid, special services, and operations:			
Civil	33,119	34,867	37,089
National defense	28,253	32,228	34,575
Total, current aids, special services, and operations	61,372	67,095	71,665
Allowance for contingencies		75	350
Interfund transactions	−870	−647	−712
Total, administrative budget	96,507	106,428	112,847
TRUST FUNDS			
Additions to Federal assets:			
Loans	425	1,812	889
Public works	27	36	43
Other	24	28	31
Total, additions to Federal assets	475	1,876	962
Additions to State, local, and private assets	5,141	4,305	4,398
Expenditures for other developmental purposes	72	77	81
Retirement and social insurance benefits:			
Insurance and unemployment benefits	17,813	20,602	24,589
Other	2,433	2,672	2,864
Total, retirement and social insurance benefits	20,246	23,274	27,452
Current aids special services and operations	3,414	4,057	4,595
District of Columbia, deposit funds, and other unclassified items	928	992	1,158
Interfund transactions	−638	−795	−767
Total trust funds	29,637	33,786	37,882

Note.—For more information on this classification see special analysis D (pages 408 to 427).

Table 7. FEDERAL RECEIPTS AND EXPENDITURES IN THE NATIONAL INCOME ACCOUNTS (in billions of dollars)

Description	1965 actual	1966 estimate	1967 estimate
RECEIPTS, NATIONAL INCOME BASIS			
Personal tax and nontax receipts	51.2	54.8	60.5
Corporate profits tax accruals	27.0	29.3	31.1
Indirect business tax and nontax accruals	16.8	15.9	16.5
Contributions for social insurance	24.6	28.8	34.1
Total receipts, national income basis	119.6	128.8	142.2
EXPENDITURES, NATIONAL INCOME BASIS			
Purchases of goods and services	64.5	70.7	74.4
Transfer payments	30.3	34.2	39.2
Grants-in-aid to State and local governments	10.9	12.8	14.7
Net interest paid	8.6	9.0	9.7
Subsidies less current surplus of Government enterprises	4.1	4.3	4.7
Total expenditures, national income basis	118.3	131.0	142.7
Surplus (+) or deficit (−), national income basis	+1.2	−2.2	−.5

RELATION OF THE FEDERAL SECTOR IN THE NATIONAL INCOME ACCOUNTS TO RECEIPTS FROM AND PAYMENTS TO THE PUBLIC

RECEIPTS			
Total Federal receipts, national income accounts	119.6	128.8	142.2
Plus: Receipts not included in Federal receipts in the national income accounts:			
District of Columbia government and other receipts	.4	.4	.4
Realization on loans and other assets	.6	.2	.3
Less: Receipt adjustments to consolidated cash basis:			
Employer and employee contributions to Federal retirement funds	2.2	2.2	2.2
Receipts netted against expenditures, etc	−1.5	−2.1	−2.3
Accrual to cash and other adjustments	.2	1.1	−2.5
Total Federal receipts from the public	119.7	128.2	145.5
EXPENDITURES			
Total Federal expenditures, national income accounts	118.3	131.0	142.7
Plus: Expenditures not included in Federal activities in the national income accounts:			
District of Columbia government expenditures, Federal home loan banks, and Federal land banks and other expenditures	1.8	1.1	1.3
Loans, pruchase of land and net purchases of foreign currency	4.0	2.9	.3
Less: Expenditure adjustments to consolidated cash basis:			
Employer and employee contributions to Federal retirement funds	2.2	2.2	2.2
Receipts netted against expenditures, etc	−1.5	−2.1	−2.3
Accrual to cash adjustment	.6	−.5	−.9
Net expenditures of foreign currency and other adjustments	.4	.4	.3
Total Federal payments to the public	122.4	135.0	145.0

Note.—This table shows Federal receipts and expenditures on the basis used in the national income and gross national product statistics of the Department of Commerce. For a fuller explanation, see special analysis A (pp. 378 to 386).

Table 8. **RELATION OF AUTHORIZATIONS TO EXPENDITURES**
(in millions of dollars)

Description	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS			
New obligational authority (tables 3 and 4): [1]			
Current authorizations	93,557	111,588	106,255
Permanent authorizations	13,051	14,394	15,650
Total new obligational authority	106,608	125,982	121,904
Unobligated balances brought forward, start of year (table 10)	46,728	47,454	46,947
Appropriations available in prior year	−775	−832	−994
Appropriations available from subsequent year	832	994	944
Balances no longer available:			
Unobligated balances rescinded	−37	−45	−91
Unobligated balances lapsing	−1,129	−1,133	−259
Capital transfers from revolving funds to general fund	−169	−192	−197
Unobligated balances carried forward, end of year (table 10)	−47,454	−46,947	−43,869
Obligations incurred, net (table 9)	104,606	125,280	124,385
Obligated balances brought forward, start of year (table 10)	42,617	49,607	67,787
Adjustments of obligated balances in expired accounts	−238	41	−177
Obligated balances carried forward, end of year (table 10)	−49,607	−67,787	−78,436
Deficiency in expired accounts, start of year [2]	−67	−66	----------
Deficiency in expired accounts, end of year	66	----------	----------
Interfund transactions (see note to table 14)	−870	−647	−712
Total administrative budget expenditures (tables 1 and 5)	96,507	106,428	112,847
From new obligational authority	----------	----------	82,108
From balances of prior obligational authority	----------	----------	30,739

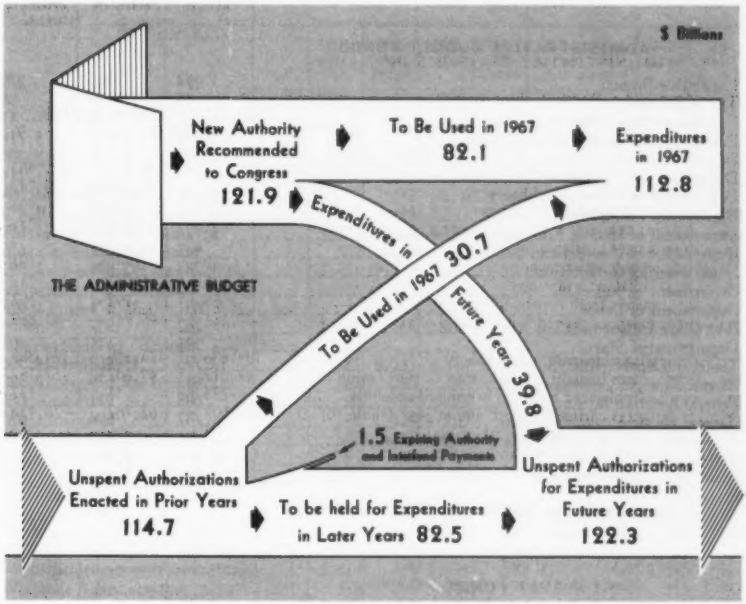
Note.—This table (administrative budget and trust funds) summarizes and brings into relationship totals from the various other tabulations. The types of new obligational authority and the considerations involved in the various means of financing agency activities are explained on pages 164 to 167.

[1] Excludes appropriations to liquidate contract authorizations: 1965, $1,782 million; 1966, $2,210 million; 1967, $2,504 million.

[2] Appropriations were enacted in 1966 to cover the deficiencies which occurred between 1956 and 1961.

Table 8. **RELATION OF AUTHORIZATIONS TO EXPENDITURES—Con.**

1967 Administrative Budget – Relation of Authorizations to Expenditures



(In millions of dollars)

Description	1965 actual	1966 estimate	1967 estimate
TRUST FUNDS			
New obligational authority (tables 3 and 4): [3]			
Current authorizations	1,616	613	1,712
Permanent authorizations	30,385	34,435	40,872
Total new obligational authority	32,002	35,048	42,584
Unobligated balances brought forward, start of year (table 10)	60,311	63,172	63,777
Balances no longer available: Unobligated balances lapsing	−22	−68	−36
Unobligated balances carried forward, end of year (table 10)	−63,172	−63,777	−67,771
Obligations incurred, net (table 9)	29,118	34,375	38,554
Obligated balances brought forward, start of year (table 10)	10,066	10,328	10,615
Obligated balances carried forward, end of year (table 10)	−10,328	−10,615	−11,090
Adjustments for stock purchase, FNMA	42		
Subtotal	28,897	34,088	38,080
Government-sponsored enterprise expenditures	1,379	493	569
Interfund transactions (see note to table 14)	−638	−795	−767
Total trust fund expenditures (tables 1 and 5)	29,637	33,786	37,882
From new obligational authority			27,267
From balances of prior obligational authority			10,615

[3] Excludes appropriations to liquidate contract authorizations: 1965, $4,726 million; 1966, $4,763 million; 1967, $5,016 million.

Table 9. **OBLIGATIONS INCURRED, NET** (in millions of dollars)

Description	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS			
Legislative Branch	174	181	229
The Judiciary	75	85	93
Executive Office of the President	25	28	31
Funds appropriated to the President	5,749	6,036	5,718
Department of Agriculture	7,395	8,126	6,205
Department of Commerce	759	1,392	1,214
Department of Defense—Military	48,326	62,344	61,669
Department of Defense—Civil	1,340	1,455	1,415
Department of Health, Education, and Welfare	6,974	10,345	11,684
Department of Housing and Urban Development	943	1,327	675
Department of the Interior	1,283	1,500	1,391
Department of Justice	355	394	402
Department of Labor	651	671	677
Post Office Department	762	937	836
Department of State	391	441	405
Treasury Department	12,776	13,562	14,306
Atomic Energy Commission	2,553	2,679	2,348
Federal Aviation Agency	698	921	881
General Services Administration	737	696	693
National Aeronautics and Space Administration	5,496	5,570	5,033
Veterans Administration	5,464	5,208	5,739
Other independent agencies	1,618	1,217	2,131
District of Columbia	61	65	111
Allowance for contingencies	----------	100	500
Total administrative budget	104,606	125,280	124,385
TRUST FUNDS			
Department of Commerce	4,040	3,982	4,311
Department of Health, Education, and Welfare	17,462	20,882	25,196
Department of Labor	3,173	2,891	2,947
Veterans Administration	624	534	679
Civil Service Commission	1,424	1,603	1,745
Railroad Retirement Board	1,186	1,248	1,277
Other agencies	1,209	3,235	2,398
Total trust funds	29,118	34,375	38,554

Note.—This table reflects the net obligations incurred, as explained on pages 164 and 165. For administrative budget funds, obligations are determined by deducting from the gross obligations the applicable receipts of public enterprise funds and intragovernmental funds, and the reimbursements to general fund and special fund appropriations. For trust funds, net obligations are determined by deducting from the gross obligations the applicable receipts of trust revolving funds and the reimbursements to trust fund appropriations.

Table 10. **BALANCES OF OBLIGATIONAL AUTHORITY** (in millions of dollars)

Description	Start 1965		Start 1966—End 1965		Start 1967—End 1966		Start 1968—End 1967	
	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated	Obligated	Unobligated
ADMINISTRATIVE BUDGET FUNDS								
Legislative Branch	29	46	35	33	21	106	41	109
The Judiciary	4	------	4	------	5	------	5	------
Executive Office of the President	3	1	4	1	4	*	4	------
Funds appropriated to the President	6,095	9,018	7,521	9,044	8,690	9,330	9,380	9,216
Department of Agriculture	3,974	854	4,091	846	5,328	1,084	5,735	1,494
Department of Commerce	652	537	638	777	1,222	174	1,408	54
Department of Defense—Military	17,471	12,725	19,499	13,637	28,909	13,131	33,428	10,400
Department of Defense—Civil	156	156	263	131	403	81	449	24
Department of Health, Education, and Welfare	1,894	366	3,051	466	5,722	642	7,148	621
Department of Housing and Urban Development	3,781	9,535	4,474	9,716	5,365	9,715	6,453	10,222
Department of the Interior	369	225	446	263	704	128	772	101
Department of Justice	20	23	17	47	27	37	24	36
Department of Labor	42	304	209	305	358	314	514	311
Post Office Department	528	13	487	14	545	------	627	------
Department of State	96	46	98	48	132	10	133	7
Treasury Department	151	274	195	44	327	23	386	15
Atomic Energy Commission	1,232	327	1,160	399	1,450	85	1,498	------
Federal Aviation Agency	369	282	271	297	392	244	433	121
General Services Administration	261	431	374	299	472	188	532	116
National Aeronautics and Space Administration	2,414	789	2,814	540	2,784	145	2,517	124
Veterans Administration	330	766	304	953	334	1,686	355	1,947
Other independent agencies	2,745	9,903	3,651	9,471	4,565	9,711	6,419	8,845
District of Columbia	------	107	------	123	------	113	------	105
Allowance for contingencies	------	------	------	------	25	------	175	------
Total administrative budget	42,617	46,728	49,607	47,454	67,787	46,947	78,436	43,869
TRUST FUNDS								
Department of Commerce	6,662	2,259	6,655	2,122	6,630	2,257	6,815	2,307
Department of Health, Education, and Welfare	88	21,950	91	22,172	133	21,181	185	23,043
Department of Labor	12	6,850	55	7,809	55	8,828	55	9,805
Veterans Administration	411	6,441	417	6,528	402	6,718	407	6,763
Civil Service Commission	105	14,699	127	15,940	122	17,107	133	18,214
Railroad Retirement Board	96	3,762	97	3,913	105	4,083	108	4,390
Other agencies [1]	2,692	4,350	2,886	4,688	3,168	3,602	3,387	3,250
Total trust funds	10,066	60,311	10,328	63,172	10,615	63,777	11,090	67,771

Note.—For explanation of balances carried forward see page 166.

*Less than $500 thousand.
[1] Obligated balances include deposit funds.

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Table 11. **THE PUBLIC DEBT** (in millions of dollars)

Description	1965 actual	1966 estimate	1967 estimate
PUBLIC DEBT HELD BY THE PUBLIC			
Public debt held by the public, start of year	251,160	254,372	254,788
Change in public debt held by the public during the year:			
Consolidated cash excess of receipts (−) or payments (tables 1 and 2)	2,696	6,894	−491
Receipts from exercise of monetary authority (−)	−117	−901	−1,568
Increase or decrease (−) in debt issued in lieu of checks (table A-3)	250	574	289
Increase or decrease (−) in cash on hand	1,749	−4,096	.....
Net borrowing from or repayments (−) to the public	4,578	2,471	−1,770
Deduct net borrowing of Government enterprises from the public (included on preceding line) (table B-10)	1,366	2,055	1,315
Net increase in public debt held by the public	3,212	417	−3,086
Public debt held by the public, end of year	254,372	254,788	251,702
PUBLIC DEBT HELD BY GOVERNMENT-ADMINISTERED FUNDS			
Public debt held by Government-administered funds, start of year	60,553	62,902	64,814
Change in public debt held by Government-administered funds during the year (table B-11)	2,349	1,912	4,921
Public debt held by Government-administered funds, end of year	62,902	64,814	69,734
COMPARISON OF PUBLIC DEBT WITH STATUTORY LIMITATION AT END OF YEAR			
Public debt:			
Held by the public	254,372	254,788	251,702
Held by Government-administered funds	62,902	64,814	69,734
Total public debt	317,274	319,602	321,436
Portion of Government enterprise debt subject to the public debt limitation:			
Held by the public	451	297	110
Held by Government-administered funds	139	101	134
Total public and guaranteed Government enterprise debt	317,864	320,000	321,680
Portion of public debt not subject to limitation	−283	−200	−175
Debt subject to limitation, end of year	317,581	319,800	321,505
Statutory limitation on public debt, end of year:			
Under existing legislation	324,000	328,000	285,000
Under proposed legislation	.....	.....	(1)

Note.—The first portion of this table reflects borrowing (or repayment thereof) through the issuance of U.S. securities to the public by both the Treasury and by certain "Government enterprises," a term used here to refer to activities which have authority to issue their own securities. The borrowing by such enterprises is then deducted to arrive at the changes in the public debt (a term which relates to securities issued by the Treasury). "Government-administered funds" in this table refers to activities which have authority to buy U.S. securities for investment purposes.

[1] To be proposed later after timing of estimated transactions can be examined on a more detailed basis.

Table 12. **FULL-TIME PERMANENT EMPLOYMENT IN THE EXECUTIVE BRANCH**

Description	As of June		
	1965 actual	1966 estimate	1967 estimate
Department of Agriculture	80,103	81,070	82,850
Department of Commerce	29,162	30,360	31,840
Department of Defense, Civil [1]	29,902	30,400	30,900
Department of Health, Education, and Welfare	81,741	92,500	99,010
Department of Housing and Urban Development	13,427	14,300	15,350
Department of the Interior	56,716	57,540	59,500
Department of Justice	32,620	32,650	32,700
Department of Labor	8,913	9,300	9,600
Post Office Department	461,211	481,250	500,000
Department of State	23,398	24,300	24,400
Agency for International Development	14,713	14,900	15,750
Peace Corps	1,061	1,150	1,200
Treasury Department	83,494	85,000	86,200
Atomic Energy Commission	7,047	7,000	7,030
Federal Aviation Agency	43,761	42,500	42,300
General Services Administration	35,370	35,750	36,750
National Aeronautics and Space Administration	33,082	33,700	34,000
Veterans Administration	147,007	145,700	150,850
Other agencies:			
Selective Service System	5,746	6,800	5,790
Small Business Administration	3,567	4,000	4,700
Tennessee Valley Authority	11,268	11,350	11,750
The Panama Canal	14,083	13,800	14,180
United States Information Agency	11,405	11,410	11,430
Miscellaneous agencies	29,288	29,770	30,620
Allowance for contingencies [2]	----------	1,900	4,800
Subtotal	1,258,085	1,298,400	1,343,500
Department of Defense, Military and Military Assistance [3]	974,668	1,067,000	1,073,000
Total	2,232,753	2,365,400	2,416,500

Note.—The figures for 1966 and 1967 include tentative estimates for employment under appropriations proposed for later transmittal. In accordance with definitions of the Civil Service Commission, the figures cover employees who are employed on June 30. More detailed information on employment is contained in special analysis C on pages 399 to 407.

[1] Employment of the United States Soldiers' Home is included under "Other agencies" below.
[2] Subject to later distribution.
[3] Consists of civilian employment for military functions and military assistance.

PART 3

RECEIPTS

ANALYSIS OF RECEIPTS BY SOURCE

This section of the budget presents detailed information about the revenue estimates and the recommended changes in tax laws.

Economic base of estimates.—Continued economic expansion is expected to raise gross national product to $722 billion in calendar year 1966, an increase of $46.4 billion over calendar year 1965. This projection should be considered as the midpoint of a $10 billion range, from $717 billion to $727 billion. Personal income and corporate profits will rise with the growth in output.

With the proposed substantial increase in Federal spending added to the expected further strong rises in private investment and consumption, the GNP growth of 7% will bring the economy sufficiently close to full employment of its resources to raise the threat of price instability. Therefore, moderate restraint through tax policy—rather than the tax stimulus applied in 1962, 1964, and 1965—is being recommended.

Some economic restraint will result from the increases in the social security tax rates and wage base which became effective on January 1, 1966; and the increased user charges proposed in this budget will also have some restraining effect.

Calendar year tax collections will be increased by $500 million in 1966 as a result of enactment of the proposal to reinstate the pre-January 1966 excise tax rates on automobiles and telephone service. Other legislative proposals which will moderate the growth of private demand consist of changes in tax collection procedures which will place the payment of income and self-employment taxes on a more current basis without changing final tax liabilities. These collection changes will add $2 billion to tax receipts in calendar 1966, although there will be automatic offsets by lower final settlements in subsequent years.

The revenue estimates in the budget for 1967 are based on the following economic assumptions, including the effect of the proposed tax legislation on incomes:

ECONOMIC ASSUMPTIONS

[Calendar years. In billions]

	1964 actual	1965 preliminary	1966 estimate
Gross national product	$628.7	$675.6	$722
Personal income	495.0	530.7	567
Corporate profits before taxes	64.8	74.6	80

Given the tax rates and structure, the level of aggregate economic performance is the primary determinant of tax revenues. However, estimates of tax revenues cannot be derived directly and simply from the assumed levels of economic performance. Several important factors intervene, including the timing of tax payments, differences between the definitions of statutory and economic incomes, and the distribution of various forms of income among taxpayers.

RECEIPTS FROM THE PUBLIC

[Fiscal years. In millions]

	1965 actual	1966 estimate	1967 estimate
Administrative budget receipts:			
Individual income taxes	$48,792	$51,400	$56,240
Corporation income taxes	25,461	29,700	34,400
Excise taxes	10,911	9,169	8,879
Estate and gift taxes	2,716	2,932	3,301
Customs	1,442	1,655	1,845
Miscellaneous budget receipts	3,749	5,143	6,335
Subtotal, administrative budget receipts	93,072	100,000	111,000
Trust fund receipts:			
Employment taxes	16,905	18,819	24,339
Deposits by States, unemployment insurance	3,052	2,900	2,900
Excise taxes	3,659	3,859	4,378
Federal employees retirement systems	2,173	2,222	2,244
Interest on trust funds	1,770	1,822	1,970
Veterans life insurance premiums	488	490	490
Other trust fund receipts	3,001	3,427	5,286
Subtotal, trust fund receipts	31,047	33,539	41,608
Intragovernmental and other noncash transactions	−4,420	−5,385	−7,069
Total, receipts from the public	119,699	128,154	145,539

Estimated changes in revenues.—Total receipts from the public are estimated at $145.5 billion in fiscal year 1967, an increase of $17.4 billion over the level estimated for fiscal year 1966.

Individual income tax receipts are estimated at $56.2 billion in fiscal 1967, $4.8 billion higher than in 1966. Higher personal incomes will yield a substantial increase in receipts.

Corporation income tax receipts will reach an estimated $34.4 billion in 1967, a rise of $4.7 billion above fiscal 1966. Tax liabilities are increasing, as do corporate profits before taxes, in response to the

continuing growth in the economy. Tax collections in 1966 and 1967 will rise faster than corporate pre-tax incomes as the proposed stepped-up acceleration of corporation payments on estimated tax liabilities becomes effective.

Excise tax receipts in the fiscal year 1967 administrative budget will amount to $8.9 billion, $290 million less than 1966. The restoration of the automobile and telephone and teletypewriter excise taxes will partially offset the permanent excise tax repeals that went into effect on January 1, 1966. Enactment of the proposed transportation user charges also will yield higher excise tax collections for both the general fund and the highway trust fund.

Miscellaneous receipts will increase by $1.2 billion to $6.3 billion in 1967. Seigniorage receipts will increase from $117 million in 1965 to $901 million in 1966 and $1,568 million in 1967, reflecting full-scale production of coins with the new metallic composition authorized by the Coinage Act of 1965. Receipts will also rise as revenues from previously disputed Outer Continental Shelf lands are released from escrow and as the British Government resumes principal and interest payments on its loans.

Employment taxes will produce an increase in receipts to $24.3 billion in 1967 from $18.8 billion, developing primarily from the first full year of collections under the higher social security tax rates and larger wage base which became effective on January 1, 1966. At that time, the combined employee-employer tax rate was raised from 7.25% to 8.4% and the covered annual wage base was raised from $4,800 to $6,600. A further increase in the combined tax rate, to 8.8%, is scheduled under existing law for January 1, 1967.

Proposed legislation.—This section summarizes the revenue proposals recommended for action this year.

Individual income tax.—The proposed graduated withholding schedule on wage and salary income tax liabilities affects the timing of tax payments during the year, but it does not change the tax liabilities. At the present time, a flat 14% is withheld on taxable wages and salaries; this corresponds to the tax rate on the lowest income bracket, and it is applied regardless of the amount of income. As a result, the taxes withheld on higher bracket wage earners is generally too small. The proposed new schedule would increase the amounts withheld as taxable wages and salaries increase, and thereby would reduce underwithholding to a smaller proportion of total income tax liability. The new withholdings schedules are assumed to become effective on May 1, 1966, increasing receipts by $400 million in fiscal 1967 and $95 million in fiscal 1966.

Corporation income tax.—Under present law, quarterly payments on estimated tax liabilities greater than $100,000 per year are being adjusted to a schedule that would run concurrently with the accrual of tax liabilities during each tax year and would reach an even quarterly pattern by calendar year 1970. The legislation proposed in this budget would require a more rapid adjustment and would complete the transition in the 1967 tax year. Collections of corporation income tax payments would increase by $1.0 billion in fiscal 1966 and by $3.2 billion in fiscal 1967. The estimates assume the accelerated schedule would first apply to payments due April 15, 1966.

Excise taxes.—Excise tax rates on automobiles and general and long distance telephone and teletypewriter services would be restored to the rates in effect before January 1, 1966, and the successive reductions scheduled for the future would be deferred. The estimates assume that (1) the telephone and teletypewriter taxes would return to 10% on April 1, 1966, and (2) the tax on automobiles would return to 7% from 6% on March 15, 1966. On this basis, excise tax receipts would rise by $60 million in the current fiscal year and by $1.2 billion in fiscal year 1967.

Self-employment social security tax.—A quarterly payment of the estimated social security tax on self-employed persons also is proposed. It would ease the taxpayer's problem of making a single, large payment of his tax liability after the end of the tax year. The proposal is assumed to be enacted in time for the first quarterly payment to be made on June 15, 1966. It will increase trust fund receipts by $100 million in both fiscal 1966 and 1967.

Federal unemployment tax.—Legislation to revise the unemployment insurance program should be enacted. The new program is not expected to affect receipts until after fiscal year 1967.

User charges.—Legislation authorizing additional user charges and extending others is recommended, in keeping with the policy that a greater share of the costs of certain programs which provide special benefits or privileges should be borne by identifiable primary beneficiaries. The user charges program also is being extended by administrative action throughout the executive branch where legislative authority exists, and present charges are reexamined regularly to assure that they adequately reflect the costs incurred.

Certain of the transportation user charges proposals which were proposed last year are being modified to take into account recent growth in transportation traffic.

The tax on air passenger traffic should be raised from 5% to 6% until January 1, 1969. A tax of 2% on air freight waybills should be instituted and an additional 2% added on January 1, 1969, raising

this tax to 4%. The growth of air transportation should generate sufficient receipts from these taxes to meet commercial aviation's share of the cost of the Federal airways. Accordingly, the present 2 cents per gallon tax on gasoline used in commercial aviation should be repealed, leaving fuels used in commercial aviation untaxed. Gasoline and jet fuels used in general aviation should be taxed at 4 cents per gallon, and all of the receipts should be retained in the general fund.

Revised estimates of construction costs and the inclusion of new programs in the highway trust fund necessitate some tax increases and a short extension of the fund. The tax on diesel fuel should be raised, and the use tax on heavy trucks should be levied according to a scale graduated by weight. These increases would move the contributions by truckers closer to their share of highway costs. The expiration date of the highway trust fund should be extended until February 28, 1973. Increased revenues for the trust fund would permit financing (1) continued construction of the Federal-aid highway systems, (2) forest and public lands highway programs, and (3) a new highway safety program. The highway beautification program enacted last year should be financed by explicitly designating 1 percentage point of the automobile excise tax for the program and transferring it into the trust fund.

A user charge of 2 cents per gallon is proposed on fuel used by vessels navigating the inland waterways.

User charges are also being recommended in several other programs. Some of these charges would become miscellaneous receipts of the general fund, and in other instances, they would be used directly to offset the costs of operation. Examples include: (1) meat and poultry inspections; (2) commodity inspection and classification, and warehouse inspection and licensing; (3) administration of workmen's compensation and safety programs for longshoremen and harbor workers; and (4) overtime border inspections of private vessels and aircraft. In addition, user charges will be proposed to remove the statutory prohibitions or limitations on fees charged for several programs administered by the Attorney General and the Secretary of the Treasury.

Revolving funds.—Legislation is requested to create revolving funds for the Rural Electrification Administration and three power administrations—Bonneville, Southeastern, and Southwestern. With authority to operate as revolving funds, the agencies would be able to use collections on outstanding loans and revenues from power sales to help finance their current operations and necessary capital outlays, while remaining subject to control through the regular appropriations process. Enactment of this legislation will reduce, equally, miscellaneous receipts of the Treasury and expenditures by the agencies without effect upon the budgetary surplus or deficit.

ESTIMATED EFFECT OF PROPOSED LEGISLATION ON RECEIPTS FROM THE PUBLIC

[In millions]

Proposal	Fiscal year 1966	Fiscal year 1967
Administrative budget receipts:		
Income tax proposals:		
Introduce graduated withholding schedule for individual incomes	$95	$400
Accelerate adjustment of quarterly payments on estimated corporation income tax liabilities	1,000	3,200
Excise tax proposals:		
Restore 7% automobile and 10% telephone service excise taxes	60	1,210
Subtotal, tax proposals	1,155	4,810
Transportation user charge proposals:		
Increase air passenger ticket tax to 6%		31
Tax transportation of air freight at 2%		6
Tax fuels used in general aviation at 4 cents per gallon		8
Transfer aviation gasoline tax receipts from highway trust fund		8
Repeal tax on gasoline used in commercial aviation		−4
Tax fuel used on inland waterways at 2 cents per gallon		7
Transfer 1% tax on automobiles to highway trust fund		−200
Subtotal, transportation user charge proposals		−144
Other user charges		10
Revolving funds:		
Rural Electrification Administration	−189	−196
Power administrations	−66	−70
Commodity grading and classification and warehouse licensing fees		−4
Other		−3
Subtotal, revolving funds	−255	−273
Total, administrative budget proposals	900	4,403
Trust fund receipts:		
Highway trust fund:		
Increase diesel fuel tax and apply graduated use tax on heavy trucks		197
Transfer 1% tax on automobiles from general fund		200
Transfer aviation gasoline tax receipts to general fund		−8
Quarterly payment on self-employment social security tax	100	100
Total, trust fund proposals	100	489
Total, proposed legislation	1,000	4,892
Legislative proposals for user charges to be applied to reducing expenditures:		
Meat and poultry inspection fees		56
Commodity grading and classification and warehouse licensing fees		12
Other		4

Table 13. SOURCES OF RECEIPTS (in millions of dollars)

[Note.—Estimates include effects of proposed legislation.]

Description	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS			
Individual income taxes:			
Withheld	36,840	40,800	46,440
Other	16,820	16,300	16,100
Gross individual income taxes	53,661	57,100	62,540
Refunds	−4,869	−5,700	−6,300
Net individual income taxes	48,792	51,400	56,240
Corporation income taxes	26,131	30,400	35,100
Refunds	−670	−700	−700
Net corporation income taxes	25,461	29,700	34,400
Excise taxes:			
Alcohol taxes:			
Distilled spirits	2,701	2,720	2,840
Beer	915	890	915
Rectification tax	25	24	25
Wines	110	111	117
Special taxes in connection with liquor occupations	22	23	24
Total, alcohol taxes	3,773	3,768	3,921
Tobacco taxes:			
Cigarettes (small)	2,070	2,055	2,065
Manufactured tobacco (chewing, smoking, and snuff) [1]	17	9	----------
Cigars (large)	61	59	60
Cigarette papers and tubes	1	1	1
All other	1	1	1
Total, tobacco taxes	2,149	2,125	2,127
Documents, other instruments, and playing cards taxes:			
Issues of securities, stock and bond transfers [1] / Deeds of conveyance and foreign insurance policies	178	110	50
Playing cards [2]	8	----------	----------
Total taxes on documents, other instruments, and playing cards	186	110	50
Manufacturers' excise taxes:			
Gasoline	4	28	50
Lubricating oils used in highway vehicles [3] / Lubricating oils not used in highway vehicles [1]	76	55	----------
Passenger automobiles [4]	1,888	1,460	1,330

See footnotes at end of table.

Table 13. **SOURCES OF RECEIPTS** (in millions of dollars)—**Continued**

Description	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued			
Excise taxes—Continued			
Manufacturers' excise taxes—Continued			
Parts and accessories for automobiles [1]	253	130	.....
Parts and accessories for trucks [3]			
Electric, gas, and oil appliances [2]	81	11	.....
Electric light bulbs [1]	43	30	.....
Radio and television receiving sets, phonographs, phonograph records, and musical instruments [2]	274	30	.....
Mechanical refrigerators, quick-freeze units, and self-contained air-conditioning units [2]	76	16	.....
Business and store machines [2]	74	11	.....
Photographic equipment [2]	35	7	.....
Matches [2]	4	1	.....
Sporting goods [2]	21	3	.....
Firearms, shells, and cartridges	20	24	25
Fishing rods, creels, etc	7	7	7
Pistols and revolvers	2	3	3
Fountain and ballpoint pens, mechanical pencils [2]	9	2	.....
Total, manufacturers' excise taxes	2,870	1,818	1,415
Retailers' excise taxes:			
Jewelry [2]	205	39	.....
Furs [2]	31	3	.....
Toilet preparations [2]	196	31	.....
Luggage, handbags, wallets, etc. [2]	81	19	.....
Total, retailers' excise taxes	513	92	.....
Miscellaneous excise taxes:			
General and toll telephone and teletype service [5]	1,079	940	1,090
Other communications services [1]			
Transportation of persons by air	126	154	197
Transportation of freight by air	.....	.....	6
Fuel used on inland waterways	.....	.....	7
Jet fuel	.....	.....	3
Admissions, exclusive of cabarets, roofgardens, etc. [6]	52	41	.....
Cabarets, roofgardens, etc [6]	44	31	.....
Wagering taxes, including occupational taxes	7	7	7
Club dues and initiation fees [1]	80	35	.....
Leases of safe deposit boxes [2]	7	2	.....
Sugar tax	97	100	101
Coin-operated amusement devices [2]	4	.....	.....
Bowling alleys and billiard and pool tables [2]	5	.....	.....
Coin-operated gaming devices	15	17	18
Interest equalization tax	15	12	12

See footnotes at end of table.

Table 13. **SOURCES OF RECEIPTS** (in millions of dollars)—**Continued**

Description	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued			
Excise taxes—Continued			
Miscellaneous excise taxes—Continued			
All other miscellaneous excise taxes	2	2	25
Total, miscellaneous excise taxes	1,532	1,341	1,466
Undistributed depositary receipts and unapplied collections	−11	+15	.....
Gross excise taxes	11,011	9,269	8,979
Refunds	−99	−100	−100
Net excise taxes	10,911	9,169	8,879
Estate and gift taxes	2,746	2,957	3,331
Refunds	−29	−25	−30
Net estate and gift taxes	2,716	2,932	3,301
Customs	1,478	1,690	1,880
Refunds	−35	−35	−35
Net customs	1,442	1,655	1,845
Miscellaneous receipts:			
Miscellaneous taxes, gifts, and contributions	8	7	7
Seigniorage and bullion charges	118	902	1,570
Fines, penalties, and forfeitures	87	14	15
Fees for permits and licenses:			
Admission fees and permits	6	8	9
Business concessions	8	9	10
Immigration, passport, and consular fees	25	28	29
Patent and copyright fees	10	19	27
Registration and filing fees	14	15	22
Landing fees, airports	3	3	3
Miscellaneous fees for permits and licenses	17	19	23
Total, fees for permits and licenses	83	101	123
Interest:			
Interest on loans to Government-owned enterprises	852	620	684
Interest on domestic loans to individuals and private organizations	108	82	86
Interest on foreign loans and deferred payments	95	109	175
Miscellaneous interest collections	22	21	22
Total, interest	1,077	831	968

Table 13. **SOURCES OF RECEIPTS** (in millions of dollars)—**Continued**

Description	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued			
Miscellaneous receipts—Continued			
Dividends and other earnings:			
Deposits of earnings, Federal Reserve System	1,372	1,706	1,800
Payment equivalent to income taxes	13	11	13
Miscellaneous dividends and earnings	8	7	7
Total, dividends and other earnings	1,393	1,725	1,820
Rents:			
Rent on Outer Continental Shelf lands	42	152	335
Rent of land and other real property	35	36	37
Rent of equipment and other personal property	32	34	36
Total, rents	109	222	408
Royalties:			
Royalties on Outer Continental Shelf lands	11	13	65
Miscellaneous royalties	121	133	139
Total, royalties	132	146	204
Sale of products:			
Sale of timber and other natural land products	192	197	206
Sale of power and other utilities	214	154	168
Sale of minerals, publications, and other products and byproducts	22	22	21
Total, sale of products	427	373	396
Fees and other charges for services and special benefits:			
Fees and other charges for administrative, professional, and judicial services	19	27	23
Fees and other charges for communication and transportation services	17	19	21
Fees for general governmental services (including services to District of Columbia)	22	23	24
Other fees and charges	71	81	94
Total, fees and other charges for services and special benefits	128	151	163
Sale of Government property:			
Sale of real property	95	75	73
Sale of equipment and other personal property	317	896	954
Sale of scrap and salvage material	19	38	31
Total, sale of Government property	431	1,009	1,058

Table 13. **SOURCES OF RECEIPTS** (in millions of dollars)—**Continued**

Description	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued			
Miscellaneous receipts—Continued			
Realization upon loans and investments:			
Repayments from States and other public bodies	192	105	47
Repayments of domestic loans to individuals and private organizations	215	1	1
Repayment of foreign loans	64	67	134
Repayment on miscellaneous recoverable costs	11	6	6
Miscellaneous repayments on loans and investments	14	6	6
Total, realization upon loans and investments	496	185	194
Recoveries and refunds:			
Recoveries under military occupation	34	35	36
Recoveries of excess profits and costs	25	19	10
Recoveries under foreign aid programs	39	40	49
Other recoveries and refunds	34	32	33
Total, recoveries and refunds	132	126	127
Gross miscellaneous receipts	4,622	5,794	7,050
Refunds	−3	−3	−3
Net miscellaneous receipts	4,619	5,791	7,047
Interfund transactions	−870	−647	−712
Total, administrative budget receipts	93,072	100,000	111,000
TRUST FUNDS			
Employment taxes:			
Federal old-age and survivors insurance trust fund	14,751	15,705	19,155
Federal disability insurance trust fund	1,095	1,361	1,902
Federal hospital insurance trust fund	.....	766	2,210
Railroad retirement account	636	683	772
Unemployment trust fund	622	544	544
Refunds	−199	−239	−243
Net employment taxes	16,905	18,819	24,339
Unemployment tax deposits by States:			
Unemployment trust fund	3,052	2,900	2,900

Table 13. **SOURCES OF RECEIPTS** (in millions of dollars)—**Continued**

Description	1965 actual	1966 estimate	1967 estimate
TRUST FUNDS—Continued			
Excise taxes:			
Highway trust fund:			
Gasoline tax	2,716	2,767	2,882
Automobile truck, bus, and trailer taxes	393	452	442
Tire, inner tube, and tread rubber taxes	429	472	488
Tax on diesel and lubricating fuels used on highways	144	188	255
Use tax on certain vehicles	99	101	102
Truck parts and accessories [3]	----------	7	20
Proposed legislation	----------	----------	389
Refunds	−123	−128	−200
Net excise taxes	3,659	3,859	4,378
Federal employees and agency payments for retirement:			
Federal employees retirement funds	2,173	2,222	2,244
Interest on trust funds:			
Federal old-age and survivors insurance trust fund	583	556	590
Federal disability insurance trust fund	65	57	57
Railroad retirement account	143	148	154
Unemployment trust fund	255	268	280
Federal employees retirement funds	484	541	601
Veterans life insurance funds	216	224	226
Other trust funds	24	27	62
Interest on trust funds	1,770	1,822	1,970
Veterans life insurance premiums:			
Veterans life insurance funds	488	490	490
Miscellaneous trust fund receipts:			
Payments by States to:			
Federal old-age and survivors insurance trust fund	1,258	1,378	1,511
Federal disability insurance trust fund	93	114	151
Federal hospital insurance trust fund	----------	45	171
Foreign assistance deposits	824	860	1,004
District of Columbia	389	420	493
Other trust fund receipts	1,074	1,404	2,723
Net miscellaneous trust fund receipts	3,639	4,221	6,053
Subtotal, trust fund receipts	31,686	34,334	42,374

See footnotes at end of table.

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Table 13. **SOURCES OF RECEIPTS** (in millions of dollars)—**Continued**

Description	1965 actual	1966 estimate	1967 estimate
TRUST FUNDS—Continued			
Interfund transactions	−638	−795	−767
Total, trust fund receipts	31,047	33,539	41,608
Intragovernmental and other noncash transactions	−4,420	−5,385	−7,069
Total, receipts from the public	**119,699**	**128,154**	**145,539**

[1] Repealed as of Jan. 1, 1966.
[2] Repealed as of June 22, 1965; consumer refunds on sales of air conditioners after May 14, 1965.
[3] Transferred to Highway trust fund as of Jan. 1, 1966.
[4] Tax reduced from 10% to 7% on June 22, 1965, with consumer refunds on sales after May 14, 1965; reduction to 6% as of Jan. 1, 1966; proposed increase to 7% as of Mar. 15, 1966.
[5] Tax reduced from 10% to 3% as of Jan. 1, 1966; proposed return to 10% as of Apr. 1, 1966.
[6] Repealed as of noon, Dec. 31, 1965.

PART 4

THE FEDERAL PROGRAM BY FUNCTION

ANALYSIS OF FEDERAL ACTIVITIES BY FUNCTION

This part of the budget presents the main elements of the program recommended for the Federal Government for fiscal year 1967. It describes, for each of 12 major functions served, the new activities being proposed and the estimated trends in existing programs. The description covers programs financed by both administrative budget accounts and trust funds, such as those for social security.

SUMMARY

The 1967 Federal program provides adequately for meeting the Nation's needs within a total of expenditures that the economy can support. The budget will enable us to fulfill our increased commitments in Vietnam, while allowing for orderly progress on such vital domestic activities as improvements in education, health, housing, urban development, and the general living conditions of the poor. Two considerations have been uppermost in determining the level of budgetary support for these activities, which form the core of the Great Society programs:

First, the programs should continue to move forward on a deliberate and carefully planned basis, to insure that they are effective in meeting their objectives and are not wastefully administered; and

Second, the pace of their advance must be consistent with the maintenance of economic stability, taking into account the added claims on the Nation's resources levied by the stepped-up conflict in Vietnam.

Total Federal payments to the public in 1967 are estimated at $145.0 billion. This is an increase of $10.0 billion over the total estimated for 1966, of which $5.8 billion is for special Vietnam costs. Excluding these special expenditures, Federal payments in 1967 are estimated to be $134.5 billion, $4.2 billion more than 1966. Most of the increase is for the new hospital and medical insurance programs for the aged, for other new health and education programs, and for antipoverty activities.

These and other necessary increases have been kept to a minimum by reducing or eliminating lower priority programs, by applying stringent tests of necessity to all proposed increases, by an expanded effort to substitute private for public credit, and by cutting costs through improved operating practices and increased productivity in all agencies.

In addition to the expenditures estimated in the 12 functional categories, the budget includes $350 million for fiscal year 1967 to cover (1) unforeseen contingencies which may arise during the year, (2) proposals for which the financial requirements are not yet sufficiently firm to permit a precise budget estimate, such as further development of a civil supersonic transport aircraft, and (3) matters, such as the pay and retirement benefits of Federal civilian employees, which are still under study.

PAYMENTS TO THE PUBLIC

[Fiscal years. In millions]

Function	1965 actual	1966 estimate	1967 estimate
Administrative Budget Expenditures:			
National defense	$50,163	$56,560	$60,541
Excluding special Vietnam costs	*(50,060)*	*(51,925)*	*(50,206)*
International affairs and finance	4,304	3,932	4,177
Excluding special Vietnam costs	*(4,304)*	*(3,828)*	*(3,973)*
Space research and technology	5,093	5,600	5,300
Agriculture and agricultural resources	4,898	4,313	3,372
Natural resources	2,750	2,920	3,062
Commerce and transportation	3,499	3,202	2,672
Housing and community development	−104	77	123
Health, labor, and welfare	5,898	8,377	9,962
Education	1,544	2,318	2,834
Veterans benefits and services	5,495	5,122	5,721
Interest	11,435	12,104	12,854
General government	2,402	2,476	2,591
Allowance for contingencies	----------	75	350
Interfund transactions (deduct)	870	647	712
Total, administrative budget expenditures	96,507	106,428	112,847
Total, administrative budget, excluding special Vietnam costs	*(96,404)*	*(101,689)*	*(102,308)*
Trust Fund Expenditures:			
Health, labor, and welfare	23,186	26,589	31,110
Commerce and transportation	3,864	3,780	3,895
Housing and community development	1,136	1,988	1,194
National defense	751	875	898
Veterans benefits and services	624	554	682
All other	715	795	871
Interfund transactions (deduct)	638	795	767
Total trust fund expenditures	29,637	33,786	37,882
Intragovernmental transactions and other adjustments (deduct)	3,749	5,166	5,681
Total payments to the public	122,395	135,048	145,048
Total payments to the public, excluding special Vietnam costs	*(122,292)*	*(130,309)*	*(134,509)*

SPECIAL ASPECTS OF THE GOVERNMENT PROGRAM

The following aspects of the proposed 1967 Government program are worthy of special note:

Federal expenditures and national output.—Federal expenditures in the national income accounts represent either purchases of currently produced goods and services or outlays directly affecting current levels of income. Federal sector expenditures are estimated to be $142.7 billion in 1967, an increase of $11.7 billion over 1966.

Federal purchases of goods and services give rise to the production and use of current resources to meet the requirements of defense, space, public works, and other Government programs. These purchases are estimated to total $74.4 billion in 1967 and will directly account for approximately 10% of the gross national product, about the same percent as is estimated for 1966. More than four-fifths of Federal purchases are for defense and space activities.

Federal expenditures other than for purchases of goods and services also influence national output through their effect on the incomes of consumers, businesses, and State and local governments. These Federal outlays are estimated to be $68.3 billion in 1967, including trust funds. This is an increase of $8 billion from the estimate for the current year. The 1967 estimate is approximately 9% of total national output, up slightly from the estimate for the current year.

Federal expenditures of an investment nature.—Excluding defense and space outlays, about $15.7 billion or 20% of the cash payments to the public proposed for 1967 are for activities which—directly or indirectly—will promote future gains in productivity and economic growth.

For example, $3.0 billion of expenditures (other than for defense and space) will be paid out from administrative budget and trust funds for additions to Federal physical assets of various types—such as civil public works, major equipment, and commodity inventories. In the administrative budget alone, the Government will also make gross disbursements of $7.5 billion for housing, farm, small business, and other loans and financial investments in 1967. However, these outlays will be more than offset by over $10 billion of receipts from loan repayments and from sales of mortgages and other financial assets, as part of expanded efforts to substitute private credit for Federal loans.

In addition to expenditures for the acquisition of Federal assets, about $6.6 billion of cash payments in 1967 represent outlays to help finance additions to State, local, and private assets such as highways, hospitals, schools, conservation projects, and waste treatment projects.

The Federal Government will also contribute to the future economic growth of the Nation through its investment in human resources and

scientific research and development. In 1967, nondefense and nonspace cash payments for education, training, and health will be $5.3 billion. Another $2.1 billion will be for scientific research and development, representing a major source of funds for all such activities undertaken in the United States. No less important than investment in physical assets, these outlays help promote the long-run growth of the Nation by expanding knowledge, enhancing occupational skills, increasing productivity, and encouraging technological development.

In addition, the Federal Government will spend $8.1 billion during fiscal year 1967 for defense research and development, including the atomic energy program, and $5.0 billion for space research and development. In the long run, a large part of these outlays will produce many collateral benefits to the civilian sector of the economy as well as strengthen the defense capability of the Nation.

Substitution of private for public credit.—Federal agencies will provide substantial credit aids in fiscal year 1967 to help carry out a wide variety of Government programs. Only a small fraction of this aid will entail Federal expenditures. The great bulk will be in the form of Government guarantees of private loans, rather than direct Government loans. Recently enacted authority to encourage insurance of private loans to students and for rural housing will further reduce reliance upon direct Federal loans. In addition, the amount of public credit has been reduced in recent years as a result of substantial sales of direct loans to private financial institutions.

All major direct loan programs of the Federal Government have recently been evaluated with the objective of substituting private for public credit wherever feasible and consistent with the purposes of the programs. On the basis of this evaluation, legislation is being recommended to make a much broader range of Federal loans available for private investment by authorizing sales of participations in pools of such loans. In the past, such participation sales have been highly successful in expanding the market for loans of the Export-Import Bank, the Federal National Mortgage Association and the Veterans Administration. The net effect of this legislation on the budget will be to increase receipts from asset sales by an estimated $350 million in 1966 and $2.8 billion in 1967. Total sales of all types under existing and proposed legislation are estimated to rise from $1.6 billion in 1965 to an estimated $3.3 billion in 1966 and $4.7 billion in 1967. These additional receipts will cause corresponding reductions in 1967 budget requirements.

Federal expenditures and the balance of payments.—The deficit in the Nation's overall balance of payments in calendar year 1965 was reduced by about 50% from the 1964 level. The major

reason for this substantial improvement was the large drop in the outflow of private capital following actions taken in February 1965 to extend the interest equalization tax to shorter term loans and to initiate a broad program of voluntary restraints on investments abroad by banks and other private business concerns. Income from foreign investments also increased sharply in 1965. These factors more than offset a decline from 1964 in the export surplus of goods and services.

In recent years, actions taken by the Federal Government to reduce the impact of its regular activities on the balance of payments have contributed significantly to the improvement in our overall position. Federal overseas expenditures were reduced by $715 million between fiscal years 1963 and 1965. Government receipts from abroad also declined during the same period, but much less sharply.

The net outflow abroad (payments less receipts) from regular transactions of the Federal Government declined by 20% between 1963 and 1965. Apart from the costs of special Vietnam operations this net outflow is estimated to decline by another 6% between 1965 and 1967.

NATIONAL DEFENSE

The national defense effort this year and in the year to come is heavily influenced by two paramount objectives. The first objective is to provide whatever forces and equipment are needed to help South Vietnam retain its independence. The second is to maintain and improve our balanced strategic and conventional war forces. These forces, designed to counter all forms of threat to our vital interests, have been built up at great cost. So long as cold war tensions persist, large sums will continue to be required to maintain their superiority over the forces of any potential aggressor. Neither objective can be slighted. The 1967 budget, and the supplemental funds being requested for the present fiscal year, will provide for both.

Primarily because of the heavy costs of our efforts in Southeast Asia, expenditures for national defense programs are estimated to rise from $50.8 billion in 1965 to $57.4 billion in 1966 and then to $61.4 billion in 1967. Aside from special Vietnam costs, regular national defense payments would actually decline from $52.8 billion in 1966 to $51.1 billion in 1967.

Department of Defense.—Total expenditures for the military functions of the Department of Defense are estimated at $57.2 billion in 1967, $4.2 billion more than now estimated for 1966 and $11.0 billion more than in 1965. New obligational authority of $58.9 billion is proposed for the Department, compared with $61.8 billion for the current year, including supplemental requests being transmitted

NATIONAL DEFENSE

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1967
	1965 actual	1966 estimate	1967 estimate	
Administrative Budget Funds:				
Department of Defense—military functions:				
Military personnel	$14,771	$16,600	$18,150	$18,676
Operation and maintenance	12,349	14,160	14,980	15,700
Procurement	11,839	13,880	15,970	16,408
Research, development, test, and evaluation	6,236	6,370	6,400	6,905
Military construction	1,007	1,140	1,120	593
Family housing	619	650	545	522
Civil defense	93	100	100	133
Revolving and management funds	−741	25	−115	.....
Subtotal, Department of Defense—military functions	46,173	52,925	57,150	58,938
Subtotal, excluding special Vietnam costs	*(46,070)*	*(48,515)*	*(46,965)*	*(50,175)*
Military assistance	1,229	1,275	1,150	917
Excluding special Vietnam costs	*(1,229)*	*(1,050)*	*(1,000)*	*(917)*
Atomic energy	2,625	2,390	2,300	2,263
Defense-related activities:				
Stockpiling of strategic and critical materials	16	17	20	20
Expansion of defense production	60	−123	−148	.....
Selective Service System	43	60	53	52
Emergency preparedness activities	17	16	16	15
Subtotal, administrative budget	50,163	56,560	60,541	[1] 62,205
Subtotal, administrative budget, excluding special Vietnam costs	*(50,060)*	*(51,925)*	*(50,206)*	*(53,442)*
Trust Funds:				
Military assistance	745	867	891	1,144
Other	7	8	6	6
Subtotal, trust funds	751	875	898	[1] 1,150
Intragovernmental transactions and other adjustments (deduct)	124	14	34	
Total	50,790	57,421	61,404	
Total, excluding special Vietnam costs	*(50,687)*	*(52,786)*	*(51,069)*	

[1] Compares with new obligational authority for 1965 and 1966, as follows:
Administrative budget funds: 1965, $53,198 million; 1966, $65,758 million.
Trust funds: 1965, $778 million; 1966, $1,143 million.

separately to the Congress. The 1966 and 1967 estimates are not exactly comparable with those for 1965 due to a shift of funding for

Military Assistance supported forces in South Vietnam to the accounts of the military services during 1966.

The expenditure increases in 1966 and 1967 primarily reflect the heightened conflict in Vietnam, which has resulted in more U.S. forces there and in increased use and consumption of combat equipment, supplies, and ammunition. Certain other factors, such as the substantial raise in military pay enacted by the last session of the Congress, also account for a portion of these changes.

The 1967 budget will allow us to support those financial requirements in Vietnam which can now be foreseen without weakening forces devoted to other missions. Department of Defense expenditures excluding special Vietnam costs will decline from $48.5 billion in 1966 to $47.0 billion in 1967 reflecting in part an effort to defer programs not critical to mission performance and continued phase-out of weapon systems no longer needed.

In 1967, we will (1) continue to improve the effectiveness and survivability of our strategic forces; (2) further modernize our conventional war forces by increasing their firepower, mobility, and ability to fight for extended periods; and (3) press ahead vigorously with the research and development programs needed to provide the weapons and defenses of the future.

At the same time, the Department will continue to emphasize the highly successful cost reduction program, begun in 1961. The recently announced consolidation, reduction, or discontinuance of more unneeded defense installations, along with other measures, is expected to raise the annual rate of savings above $6 billion by 1969. The Department will also continue to phase out obsolete weapon systems. These actions will help keep costs lower than they would otherwise be, but they involve no sacrifice of military readiness.

The table on page 76 shows, on a selected basis, the force structure to be supported.

The Defense program budget is summarized in the table on the following page, based on total obligational availability. This includes new obligational authority granted each year by the Congress, plus the obligational authority granted in prior years which is not required to complete prior year programs. The amounts are shown by major program. This concept, introduced into defense planning in 1961, involves the grouping of all forces according to major military mission, regardless of military service.

Strategic retaliatory forces.—The primary mission of our strategic retaliatory forces is to deter military attacks against the United States and its allies. To do so, such forces should clearly be capable of inflicting unacceptable damage on any aggressor. If deterrence

SUMMARY OF THE DEPARTMENT OF DEFENSE BUDGET PROGRAM

[Fiscal years. In billions]

Major military programs	Total obligational availability		
	1965 actual	1966 estimate	1967 estimate
Strategic retaliatory forces	$5.3	$5.1	$5.1
Continental air and missile defense forces	1.6	1.7	1.4
General purpose forces	19.0	30.0	25.7
Airlift and sealift forces	1.5	2.2	2.1
Reserve forces	2.1	2.2	2.4
Research and development (not included elsewhere)	4.9	5.3	5.5
General support	14.5	16.8	16.7
Retired pay	1.4	1.6	1.8
Total obligational availability	50.1	64.9	60.4
Of which:			
New obligational authority	49.4	61.8	58.9
Excluding special Vietnam costs	*(48.7)*	*(47.8)*	*(50.2)*
Prior year funds	.7	3.1	1.5

should fail, strategic retaliatory forces should also contribute, in combination with defensive forces, to limiting damage to ourselves and our allies by striking the aggressor's residual strategic offensive forces.

Our strategic forces are sufficient for these tasks with a margin of safety to spare. They include:

- More than 850 operational intercontinental ballistic missiles
- Over 650 strategic bombers, with 50% on 15-minute ground alert.
- 464 missiles aboard 29 operational Polaris submarines.

Our strategic retaliatory capability cannot remain static. Quantitative and qualitative changes are adopted as a result of either new technology or a reassessment of the threat from potential aggressors. The 1967 budget provides for a number of such changes including:

- Initial procurement of the new, improved Minuteman III.
- An increase in the size of the current Minuteman and Polaris forces through the addition of more Minuteman II and Polaris A–3 missiles.
- The start of a long-range program to retire the older models of the B–52 and, eventually, the B–58 bombers, with a 1967 reduction of three B–52 squadrons, in view of their increasing age and cost and the growing capability of our missile forces.

SUMMARY OF ACTIVE FORCES

Description	Actual, June 30, 1961	Actual, June 30, 1965	Estimated	
			June 30, 1966	June 30, 1967
Military personnel (in thousands):				
Army	858	968	1,159	1,234
Navy	627	671	724	728
Marine Corps	177	190	250	278
Air Force	820	824	854	853
Total, Department of Defense	2,482	2,653	2,987	3,093
Selected military forces:				
Strategic retaliatory forces:				
Intercontinental ballistic missiles (squadrons):				
Minuteman	----------	16	17	20
Titan	----------	6	6	6
Atlas	4	----------	----------	----------
Polaris submarines (in commission)	5	29	37	41
Strategic bombers (wings):				
B-52	13	14	13	12
B-58	1	2	2	2
B-47	20	5	----------	----------
Continental air and missile defense forces:				
Manned fighter interceptor squadrons	42	39	34	31
Interceptor missile squadrons (BOMARC)	7	6	6	6
Army air defense missile battalions [A]	49½	23½	18	18
General purpose forces:				
Army divisions (combat ready)	11	16	16	17
Army special forces groups	3	7	7	7
Warships (in commission):				
Attack carriers	15	16	15	15
Antisubmarine warfare carriers	9	9	8	8
Nuclear attack submarines	13	21	24	40
Other	328	331	331	311
Amphibious assault ships (in commission)	110	135	168	168
Carrier air groups (attack and ASW)	28	28	27	27
Marine Corps divisions/aircraft wings	3/3	3/3	4/3	4/3
Air Force tactical forces squadrons	93	117	125	128
Airlift and sealift forces:				
Airlift aircraft (squadrons):				
C-130 through C-141	16	38	41	46
C-118 through C-124	35	19	16	11
Troopships, cargo ships, and tankers	101	106	118	117
Active aircraft inventory (all programs):				
Army	5,564	6,957	7,940	9,282
Navy	8,793	8,056	8,086	8,315
Air Force	16,905	14,875	14,042	13,785
Commissioned ships in fleet (all programs)	819	880	941	939

[A] Decrease from 1961 to 1965 reflects phaseout of Nike-Ajax and transfer of Nike-Hercules battalions to Army National Guard.

• Initiation of procurement of the FB–111—with an ultimate force goal of 210 of these aircraft—to replace, in the future, 345 B–52's and all 80 of the B–58 bombers. The 1967 budget also provides for development of a new short range air-to-surface missile (SRAM).

In addition, a vigorous development program will enable us to make quickly whatever further improvements new threats may dictate. In the 1967 budget particular emphasis will be placed on development of the Poseidon submarine-launched ballistic missile and continued work on penetration aids for our missiles.

Total obligational authority required for these forces in 1967 is estimated at $5.1 billion, the same as in 1966.

Continental air and missile defense forces.—Interceptor aircraft, surface-to-air missiles, warning and control systems, and the civil defense program all contribute to the capability to limit damage to the United States in the event of an attack. The basic objective is to provide a balanced force which will reduce damage from various possible kinds of attack and make the problem of attacking the United States as complicated as possible. Total obligational availability for this program is estimated at $1.4 billion in 1967, $0.3 billion less than in 1966.

The relative increase in importance of the missile threat to the United States and the relative decline of the threat from bomber attack permit further downward adjustments in active force interceptor aircraft, surface-to-air missiles, and radar sites. Plans also call for continued replacement of older National Guard aircraft with more modern interceptors released from the active forces in 1967. To be prepared for any sudden change in the bomber threat, development efforts will continue on such items as an advanced interceptor, warning and control equipment, and surface-to-air missiles so that these will be available for deployment if needed.

Increased funds are proposed in 1967 for development of the NIKE-X antimissile system. High priority will be given to developing components which will provide a broad range of choice for an operational system. At the same time, studies of alternative deployments of such a system will be continued. This budget also provides funds for improving our capability to track, photograph and, if necessary, intercept objects in space.

In 1967, the civil defense program will continue to identify more shelters and increase the capacity of existing shelters. With the cooperation of State and local governments, communities will be given management assistance for shelter planning and assignment. New techniques for incorporating fallout shelters in new private buildings

at little or no cost will continue to be explored. In addition, the 1967 budget provides for a small experimental effort to test the application of these techniques to a variety of new construction projects.

General purpose forces.—Our ability to meet the threat of large-scale conventional war and to respond appropriately to various forms of lesser conflict, depends on strong and flexible general purpose forces. Over recent years, improvements in the readiness, mobility, and fire-power of these forces have been significant. In addition to replacing supplies, weapons, and equipment consumed in combat in Vietnam, the 1967 program extends these gains and strengthens further the power of our general purpose forces through additional stocking of modern supplies, equipment, and nonnuclear ordnance. The program also reflects experience we have gained in Southeast Asia.

In 1967, total obligational availability of $25.7 billion is estimated for these forces. This is an increase of $6.7 billion over 1965 but a decrease of $4.3 billion from 1966. The 1966 and 1967 funds are necessary to meet foreseeable requirements resulting from the intensity of the Vietnam conflict without impairing other needed capabilities. These include temporary increases in Army and Marine Corps division and brigade force structures and support.

Both the Army and the Marine Corps will organize additional helicopter units. Armored elements will benefit from continued procurement of the M–60 tank fitted with the Shillelagh missile. Initial procurement of the new lightweight and easily transportable Lance surface-to-surface missile—to replace existing Honest John and Little John tactical missiles—will also be funded in 1967.

The flexibility and mobility of Navy general purpose forces will be further enhanced in 1967. Provision is made for the procurement or conversion of 51 ships, including the construction of our second nuclear-powered aircraft carrier. Emphasis will be placed on anti-submarine warfare—including construction of 10 new destroyer escorts and 5 new nuclear-powered attack submarines—and on the air defense of our carrier forces. Two additional missile ships will be constructed for this mission, and development will proceed on a new air defense missile system (TARTAR D). Modernized and faster ships in the fleet amphibious forces will enable Marine division/wing teams to respond more quickly and effectively to emergency situations. Improvements include construction of 12 assault ships, development of an optimum general-purpose assault ship, and construction of 5 new dual-purpose ships for minesweeping and minehunting.

Our superiority in tactical air forces will be maintained. The Air Force combat training force will be expanded and our inventories of tactical aircraft will increase in quantity and quality as more modern

aircraft replace those lost in Vietnam. Key elements are further procurement of the modern, improved F–4 and introduction of an Air Force adaptation of the A–7—a new attack aircraft already in production for the Navy and possessing good range and payload characteristics. In addition, large-scale purchase of the F–111A will begin for the Air Force. A new lightweight, multipurpose aircraft for counterinsurgency warfare in difficult terrain will be procured for use by the Navy, Air Force, and Marine Corps. Our land-based tactical air forces will benefit from initiation, in 1967, of a construction program to protect overseas airfields from nonnuclear attack.

Airlift and sealift forces.—The ability to concentrate military forces rapidly and sustain them in combat may significantly reduce the duration and destructiveness of a conflict. It also reduces the need to station forces near potential trouble spots overseas. For these reasons, the 1967 budget provides for continued progress in reducing our reaction time in limited war situations. Provision is made for increasing both our airlift and sealift capabilities. Total obligational authority is estimated at $2.1 billion in 1967, slightly less than in 1966.

In 1967, procurement of the revolutionary new C–5A transport aircraft will be initiated. The C–5A has many times the effective payload of our best existing transport, the C–141. Because of the rapid buildup in Vietnam, deliveries of previously ordered C–141 aircraft are being accelerated in 1966. Procurement of this aircraft will be completed with funds requested for 1967.

In order to complement this growing airlift capability and achieve a better balance between airlift and sealift, contracts for competitive design will be awarded later this year for the first of a new class of fast deployment logistic ships. A new concept in ship construction, these vessels will provide larger capacity, greater speed, and more efficiency than present transport ships. Used alone, or in tandem with the C–5A, they will improve our ability to bring the weight of our fighting forces rapidly to bear in distant areas of the world.

In addition, four more Victory ships will be modified in 1967 to serve as forward floating depots for storage of military equipment near potential trouble spots.

Reserve forces.—Present defense planning requires highly trained reserve units—not just large numbers of men—which can be mobilized and deployed quickly in an emergency. To achieve needed combat readiness, the Secretary of Defense has proposed a major realignment of Army reserve components, disbanding units not required to meet contingency plans and improving the manning and equipment allowances of required units. A simpler and more effective organization

will be achieved, and management costs will be reduced, by placing all remaining paid drill units in the National Guard.

Reflecting this action, the paid drill training strength of Army reserve components is expected to drop to 580,000 by the end of fiscal year 1967, compared with 688,500 now estimated for the end of the current year. Reduced personnel costs resulting from the realignment will be largely offset by accelerated procurement of modern weapons and equipment for the reserves.

As a result of Vietnam, selected units of the reserve components of the Army and Air Force have been increased to full strength, provided with additional equipment, and required to perform additional training in order to improve their readiness. In addition, certain Air Force Reserve transport units which had been previously scheduled for inactivation have been retained, and additional strength has been provided for the Marine Corps Reserve.

In 1967, total obligational availability to support the reserve components of the Army, Navy, Marine Corps, and Air Force is estimated at $2.4 billion, compared with $2.2 billion in 1966.

Research and development.—The 1967 total obligational availability is estimated at $5.5 billion, somewhat more than in 1966. This does not represent the Department's total research and development effort; amounts for development of systems already approved for procurement, such as the C–5A, are included in appropriate mission-oriented programs.

The 1967 budget will continue support for (1) development of weapon systems for the future; (2) improvement of existing weapons, detection devices and other equipment; and (3) maintenance of a base of military-related research and applied technology. The 1967 research and development program includes many projects related to limited and conventional wars, while also continuing development of advanced strategic systems. This broad approach will yield substantial flexibility in the selection of weapons appropriate to future tasks.

Limited and conventional war projects include a weapons helicopter for close fire support and advanced air-to-surface and air-to-air missiles. A number of developments related to Vietnam will be accelerated in 1966, such as the A–7A aircraft for the Air Force, and research on drug-resistant strains of malaria. Military technology and research includes the Army's limited war laboratory and such projects as deep submergence vehicles and submarine rescue programs.

In 1967, funds will be increased substantially for development of an advanced surface-to-air missile (SAM–D) designed to fill both battlefield and continental air defense roles. The budget also provides

for development of a variety of weapons and equipment for undersea warfare.

The Defense space program will continue at about the 1966 level. Work will proceed on improved follow-on systems to the initial Defense communications satellite system and on the development of the manned orbiting laboratory (MOL). Other space programs receiving continued attention include advanced developments leading to improved capabilities in navigation, nuclear test detection, and early warning of missile launches. Reentry and recovery technology and other supporting research will also be continued.

General support.—This program includes all elements that are not directly or uniquely related to any of the other programs but which provide essential support to them. Such functions as intelligence, communications, command and control, and testing effects of nuclear weapons are included along with training and education, family housing, medical services, logistic support, and other Department-wide activities. Total obligational availability required for these functions in 1967 is estimated at $16.7 billion, compared with $16.8 billion in 1966.

Although we have not yet met the full need for military family housing units, the substantial costs of military operations in Southeast Asia dictate a deferral of authorized and funded new construction in fiscal year 1966. For the same reason, the 1967 budget does not provide funds for the construction of additional units.

The general support program in 1967 reflects the increased tempo of support operations connected with South Vietnam, including greater maintenance and repair costs. The program also includes intensified supply activities; stepped-up recruit, technical, and pilot training; and higher medical costs resulting from increases in the number of military personnel and their dependents.

Continued emphasis is placed in 1967 on improvements in communications. Two major new worldwide automatic systems—one for voice and one for the transmission of teletype messages and computer data—are being installed as planned. The initial Defense communications satellite system, designed for improved communications with remote areas and secure tactical communications for naval forces, should become operational in calendar year 1967. In addition, significant improvements are being provided in connection with the conflict in Vietnam.

Proposed legislation.—Proposals are being made for the future expansion of medical care benefits now available to the dependents of military personnel and to retired personnel and their dependents. A

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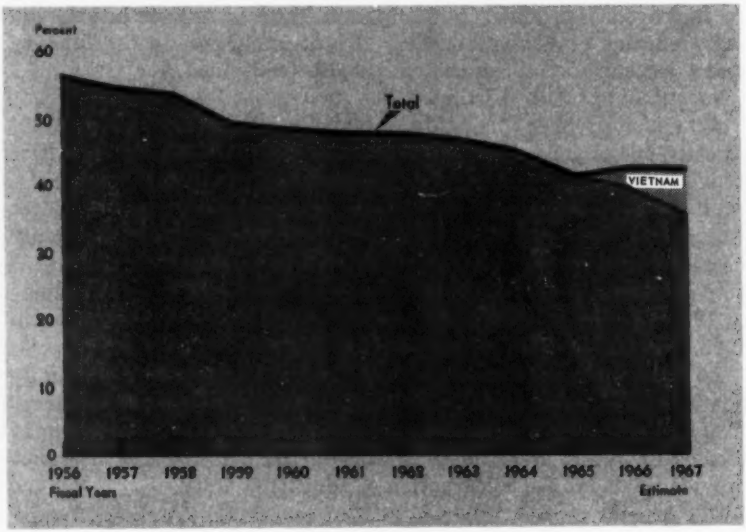
part of the cost of the services rendered under these new programs will be paid by the personnel receiving them.

Legislation is also being proposed to modernize, simplify, and make more uniform the statutes governing the appointment, promotion, and separation of the officer personnel of all the armed services.

National Defense as a Percent of Federal Payments



Military assistance.—The security of the free world cannot be guarded by one nation alone. The loss of freedom anywhere is a vital concern to all free peoples. The United States, therefore, provides assistance to free nations unable by themselves to support adequate military forces. This aid has mutual advantages; it improves the ability of recipients to cope with subversion and aggression and lowers the requirement for U.S. forces.

Our aid is mainly directed to the vulnerable countries close to Communist China and the Soviet Union. Exclusive of South Vietnam, about three-quarters of the total military assistance program will be devoted to those nations in 1967. With our assistance, they will be able to maintain about three million men under arms.

Primarily because expenditures for South Vietnam military assistance are being shifted to the military services, total expenditures shown for military assistance in 1967 are estimated to decrease to $1.2 billion from $1.3 billion in 1966. Unexpended balances for South Vietnam military assistance will be transferred to the Department of Defense budget toward the end of 1966.

Atomic energy activities.—Expenditures by the Atomic Energy Commission in 1967 are estimated to be $2.3 billion, down $90 million from 1966. A decline is estimated in expenditures for procurement of uranium concentrates and for production of special nuclear materials and weapons. These decreases will be partially offset by increases in the basic research programs and in several developmental activities. The present energetic cost reduction program will be continued in 1967.

Nuclear weapons.—An expenditure reduction from the 1966 level for the production of nuclear weapons is made possible by the accomplishments of recent years in the stockpiling of nuclear weapons. The three other principal elements of the Atomic Energy Commission's weapons program will remain approximately at the 1966 level. These are: (1) the development of improved weapon designs; (2) the conduct of underground weapons testing; and (3) the program, conducted jointly with the Department of Defense, to maintain a readiness for resumption of atmospheric testing in the event of violation by another nation of the limited nuclear test ban treaty.

Peaceful uses of nuclear energy.—With the increasingly widespread acceptance and use of nuclear power reactors, the efforts of the Federal Government are focused upon development of improved designs which will use nuclear fuels more efficiently and produce electric power at lower cost. Work on the so-called "fast breeder" reactors—which would produce more fuel than they consume—will be intensified, with design in 1967 of a special test reactor, expected to cost about $75 million. In addition, the Atomic Energy Commission is exploring "slow breeder" technology, using thorium as a fuel, and is continuing to pursue two shorter term approaches—the "advanced converters"—to more efficient utilization of nuclear fuels.

The Atomic Energy Commission—in collaboration with the National Aeronautics and Space Administration—will continue to develop nuclear energy for propulsion (Rover) and auxiliary electric power (SNAP) for missions in outer space. Pursuit of shorter term applications of these technologies will be intensified, while the level of effort for long-term applications will be reduced somewhat.

Studies are being made to choose the most appropriate site for a 200-billion electron volt (Bev) circular proton accelerator. This accelerator, with supporting equipment and facilities, has an estimated capital cost of about $375 million. Design funds for the 200-Bev machine will be requested once a site has been selected and the design has been authorized.

The budget also provides design funds for another unique particle accelerator, a very high intensity 800-million electron volt (Mev) meson physics facility at the Los Alamos Scientific Laboratory, expected to cost about $55 million.

Defense-related activities.—Combined expenditures of the various defense-related functions of agencies other than the Department of Defense and the Atomic Energy Commission are estimated to decrease by $30 million in 1967.

Selective Service System inductions in fiscal year 1966 are now expected to be 235,000 higher than estimated last January, for a total of 360,000. Although this increased workload is partially offset by discontinuance of the special program for referral of 18-year-olds for physical and mental examinations, a supplemental appropriation of $13 million will be required. Following this buildup, the budget for 1967 provides for the processing of 160,000 inductees.

The stockpile of strategic and critical materials will be further reduced in 1967 through increased disposals of materials excess to our long-term needs. Disposals of $1 billion of excess stockpile material are projected in both 1966 and 1967. These disposals will reduce annual maintenance and management costs in future years and will provide an important supply of materials to an expanding economy. Legislation should be enacted to achieve better management of the stockpile through the consolidation of inventories and the facilitation of disposals.

INTERNATIONAL AFFAIRS AND FINANCE

The Federal Government engages in a variety of activities in pursuit of our objectives of world peace, stability, and prosperity. These include:

(1) Negotiation with other nations on issues ranging from the reduction of armaments to the liberalization of trade,

(2) Active participation in the United Nations and associated international organizations,

(3) Conduct of worldwide programs of information and exchange of persons, and

(4) Provision of economic assistance to help developing nations achieve economic and social progress.

Total expenditures for the international affairs and finance activities of the Government are expected to be $4.4 billion in 1967, $337 million more than in 1966. Excluding special Vietnam costs, total payments rise by $237 million from 1966 to 1967.

The 1967 economic assistance program is characterized by the following major developments: *first*, increased emphasis on assistance in the areas of health and education; *second*, a comprehensive approach

INTERNATIONAL AFFAIRS AND FINANCE

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1967
	1965 actual	1966 estimate	1967 estimate	
Administrative Budget Funds:				
Conduct of foreign affairs:				
Department of State	$300	$312	$313	$324
U.S. Arms Control and Disarmament Agency	7	9	9	10
Tariff Commission	3	3	4	4
Foreign Claims Settlement Commission	35	2	2	2
Economic and financial programs:				
Agency for International Development:				
Development loans	754	669	654	665
Technical cooperation	227	204	200	231
Alliance for Progress	367	420	430	543
Supporting assistance	387	509	642	747
Contingencies and other	306	298	273	282
Subtotal, Agency for International Development	2,041	2,100	2,200	2,469
Subtotal, Agency for International Development, excluding special Vietnam costs	*(2,041)*	*(1,996)*	*(1,996)*	*(2,144)*
International financial institutions:				
Present programs	320	--------	70	354
Proposed legislation	--------	10	10	20
Peace Corps	79	84	88	110
Export-Import Bank	−357	−532	−309	--------
Other	11	13	15	6
Food for Peace	1,641	1,701	1,539	1,617
Foreign information and exchange activities:				
United States Information Agency	165	171	179	185
Department of State	58	58	58	56
Subtotal, administrative budget	4,304	3,932	4,177	[1] 5,157
Subtotal, administrative budget, excluding special Vietnam costs	*(4,304)*	*(3,828)*	*(3,973)*	*(4,832)*
Trust Funds	−160	190	126	[1] 36
Intragovernmental transactions and adjustment for net cash issuances or withdrawals by international financial institutions (deduct)	−439	30	−125	
Total	4,583	4,092	4,429	
Total, excluding special Vietnam costs	*(4,583)*	*(3,988)*	*(4,225)*	

[1] Compares with new obligational authority for 1965 and 1966, as follows:
Administrative budget funds: 1965, $6,703 million; 1966, $5,497 million.
Trust funds: 1965, $21 million; 1966, $156 million.

to help feed the hungry peoples of the developing world, stressing greater agricultural production in the recipient countries; *third*, an acceleration of our efforts to encourage the less developed countries to take vigorous self-help measures; *fourth*, a further concentration of our economic assistance in key developing countries, and *fifth*, a five-year authorization for economic assistance. Details of these proposals will be set forth in special messages.

Conduct of foreign affairs.—The Department of State has primary responsibility for the conduct of foreign relations. To represent U.S. interests, the Department operates some 268 diplomatic and consular posts in 113 countries and expects to establish diplomatic relations with 4 newly independent nations in 1967.

The budget provides for processing 1.5 million passport applications in 1967, 10% more than in 1966. In addition, approximately 1.3 million nonimmigrant visas are expected—a 7% increase over 1966. The budget also includes funds for better worldwide communications, increased security at overseas posts, administration of the recent amendments to the Immigration and Nationality Act, and more adequate space for the Foreign Service Institute. Pending legislation should be enacted to provide a unified Foreign Service for the Department of State, the Agency for International Development, and the United States Information Agency.

The United States will continue to share in the cost of supporting the United Nations and other international organizations of which this Nation is a member. Participation in these bodies is essential to increased cooperation among the countries of the world on matters of peace, security, economic and social progress, and scientific advancement. At the same time, we intend to play an increasingly active role in reviewing the program and budgetary proposals of the various international organizations.

Agency for International Development.—The Agency for International Development administers economic aid programs to assist less developed countries in achieving economic and social progress, maintaining political stability, and resisting aggression or subversion. The United States supplements local resources and supports self-help efforts, in coordination with the programs of international organizations and other donor nations.

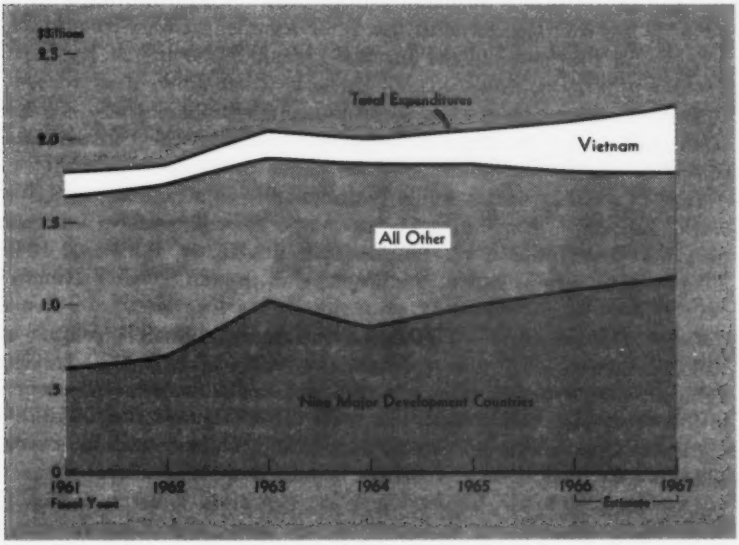
The 1967 budget includes funds for new and expanded programs to be proposed in the fields of international health, education, and agricultural assistance. These programs will assist other nations in areas critical to economic development, improve mutual understanding, and strengthen American capabilities in these fields. Our agricultural assistance will be reoriented and expanded as part of a com-

prehensive effort to help meet the growing food needs of the developing nations. Agency for International Development assistance and the Food for Peace Program will be more closely related to each other in support of the efforts of the developing countries to raise their agricultural production.

Total expenditures by AID are estimated at $2.2 billion in 1967, an increase of $100 million over 1966. This rise is entirely the result of the heightened conflict in South Vietnam. Exclusive of special Vietnam costs, AID expenditures will remain level at $2.0 billion in both 1966 and 1967. These amounts will cover only the highest priority requirements and reflect a continuing effort to increase the effectiveness and efficiency of our assistance programs. Within a constant level of expenditures, assistance in the fields of education, health, and agricultural production will be increased. To promote development through better planning, legislation is being recommended to authorize AID activities for a period of 5 years.

Continued progress is being made in tying economic assistance programs to the purchase of goods and services in the United States. More than 80% of AID expenditures in 1967 will be for purchases of U.S. goods and services compared to about 42% in 1960. This minimizes the effect of our assistance program on the U.S. balance of international payments. In addition, the foreign aid program assists the long-term growth of U.S. exports by stimulating new trade patterns and opportunities.

Agency for International Development – Expenditure Trends



Development loans and technical cooperation.—Most expenditures for development assistance are in the form of long-term loans, repayable in dollars. Expenditures for these loans will total an estimated $654 million in 1967, $15 million less than in 1966. This total excludes loans under the Alliance for Progress, discussed separately.

The development loan program is concentrated in a limited group of countries. It finances the dollar costs of capital projects and critical imports upon which economic growth depends. In these countries, U.S. assistance is part of an overall program of economic development carried out in accordance with a well-defined set of plans and domestic policies.

To complement development loans, the United States provides funds—largely through grants—to cover part of the costs of furnishing U.S. advisers. The experience and technical skills of these advisers assist in dealing with complex problems in the fields of education, health, agriculture, public administration, internal security, and other areas essential to economic and social development. Expenditures for technical cooperation are expected to be $200 million in 1967, about the same as in 1966.

Alliance for Progress.—This program is a cooperative, long-term effort of the United States and the Latin American nations to promote economic and social reform and development. U.S. participation consists largely of development loans and technical assistance, related to self-help performance by the recipients.

Expenditures for the Alliance for Progress will total $430 million in 1967, an increase of $10 million over 1966. The activities financed by AID are coordinated with the Inter-American Committee on the Alliance for Progress and the Inter-American Development Bank.

Supporting assistance.—In several countries where there are immediate threats to political and economic stability, the United States provides grants and loans. While these programs contribute to development, they are particularly designed to counter dangers to free world security. Expenditures for supporting assistance are estimated at $642 million in 1967, compared to $509 million in 1966. This increase largely reflects higher expenditures in South Vietnam.

Other AID programs.—The Agency for International Development will continue to guarantee private investment abroad, thus encouraging increased participation by the American business community in the developing countries. The total value of guarantees outstanding is expected to rise in 1967 to $4.6 billion, about $1.6 billion more than in 1966.

The efforts of international agencies such as the United Nations Development Program complement our own bilateral activities by enlisting the coordinated support of other nations. The budget proposes expenditures of $110 million to support the important role of these organizations, an increase of $10 million over 1966.

Other economic and financial programs.—New obligational authority of $250 million is requested for 1967 to complete a 3-year, $750 million increase in the U.S. contribution to the resources of the Inter-American Development Bank's (IDB) Fund for Special Operations. This contribution will bring to $1.2 billion our total subscription to this Bank for strengthening the Alliance for Progress during these 3 years. New obligational authority of $104 million is also requested for 1967 to finance the second installment of the 3-year, $312 million increase in the U.S. subscription to the International Development Association, an affiliate of the World Bank. The $104 million U.S. contribution will be accompanied by contributions of $146 million from other developed countries. Legislation will be sought to authorize additional contributions to the IDA when future needs and an appropriate sharing formula have been determined. Both the IDA and the IDB's Fund for Special Operations were set up to make long-term loans to developing nations, repayable on relatively easy terms.

Legislation will be proposed to authorize the United States to become a charter member of the Asian Development Bank—to be formally established in 1966—and to subscribe $200 million of the Bank's $1 billion capital stock. The budget includes new obligational authority of $120 million for 1966 and $20 million for 1967 for this purpose. Of the 1966 request, $100 million will be held in the U.S. Treasury as backing for borrowing by the Bank in private capital markets. No expenditures against these funds are now contemplated. The remaining $20 million in 1966 and the $20 million in 1967 will provide the first and second of five equal annual installments toward the U.S. share of the Bank's paid-in capital. Expenditures are estimated at $10 million in each year.

The Export-Import Bank will continue its efforts to expand U.S. exports. Its insurance and guarantee programs—undertaken in cooperation with insurance companies and commercial banks—by the end of 1967 will protect more than $1.7 billion of U.S. exports against both political and commercial risks. Its direct loans to foreign borrowers to pay for U.S. exports are expected to increase from $403 million in 1965 to $658 million in 1966 and $906 million in 1967. Sales to private buyers of $1 billion in loans and certificates of participation in the Bank's portfolio of loans will contribute to an estimated net excess of Bank receipts over expenditures of $309 million in fiscal year 1967.

The Peace Corps is expected to continue to expand the number of volunteers overseas or in training in response to requests from foreign nations for their services. Peace Corps volunteers will be active in about 46 countries in 1967. This budget provides for 16,000 volunteers and trainees by the end of 1967, compared to an estimated 14,500 in 1966. Expenditures are estimated to increase to $88 million in 1967.

Food for Peace.—The Agricultural Trade Development and Assistance Act of 1954 (Public Law 480) is the foundation of the existing Food for Peace program, through which U.S. agricultural abundance is used to feed hungry people and promote economic development abroad. However, food production in the developing countries has not been keeping pace with the requirements of expanding populations. Legislation will be proposed to authorize a new Food for Peace program. The new program will be closely coordinated with economic assistance directed at increased agricultural production in the less developed countries themselves.

About two-thirds of the existing Food for Peace program consists of sales of agricultural commodities to foreign nations for their own currencies. The local currencies are then available in the recipient countries to pay U.S. obligations, to finance loans to U.S. private enterprise, and to support local development projects. Most of these currencies are inconvertible, and considerable balances are lying idle in a number of countries. In order to use these currencies more effectively, special foreign currency authorizations are proposed for applying these balances to specific worthwhile projects serving U.S. program objectives.

The proposed new program contemplates, for future years, an increased emphasis on sales under long-term, dollar-repayable credits. Grant programs will also be continued.

The total volume of commodities shipped under the Food for Peace program in 1967 is expected to increase above 1966 levels. Expenditures, however, are estimated to decline by $162 million from 1966, reflecting lower export prices resulting from the cotton and wheat legislation enacted last year.

Shipment of commodities abroad through private welfare agencies, authorized by section 416 of the Agricultural Act of 1949, as amended, is sometimes considered a part of the Food for Peace effort. Expenditures for this program, which are classified under agriculture and agricultural resources, are estimated at $200 million in 1967.

Foreign information and exchange activities.—The Department of State and the United States Information Agency conduct

activities aimed at improving mutual understanding with other peoples. Expenditures for the information and related programs of the United States Information Agency are expected to increase by $8 million in 1967, reflecting expanded activities in support of U.S. objectives in Southeast Asia.

SPACE RESEARCH AND TECHNOLOGY

In a relatively short time, the Nation has made remarkable progress in forging the tools needed to extend man's knowledge and use of space. Development programs initiated in prior years are now providing the Nation with manned and unmanned space systems of great versatility. Our task is to use these new tools wisely, carefully choosing our priorities in space in the context of overall national policy objectives.

The effort to achieve a manned lunar landing by the end of the decade continues to be the largest element of our space program. This accomplishment will demonstrate man's effectiveness in exploring space; it will significantly expand our knowledge of the moon; and it will provide vehicles, facilities, and experience required for future manned space operations. In addition, increasingly complex unmanned spacecraft will assist in analysis of the space environment, in exploration of the solar system, and in the collection of meteorological data.

Expenditures in 1967 are estimated at $5.3 billion, a decline of $300 million from 1966—the first decline since the National Aeronautics and Space Administration was established. This decrease is possible for several reasons. The major systems required for the manned lunar landing will be progressing beyond the most costly phase of the development cycle, and the scope of the program for 1967 has been selectively formulated in accord with the overall priorities. In addition, careful attention to cost reduction actions and advanced management practices have increased the efficiency with which our space dollars are used.

Manned space flight.—Over two-thirds of the 1967 expenditures will be devoted to manned space flight activities. In 1967, the Saturn V rocket, generating over 16 times the thrust of the Titan rockets currently used in the Gemini program, will be launched for the first time, carrying an unmanned Apollo spacecraft. This combination of the Saturn V and the Apollo spacecraft is being developed for the manned lunar mission. Using smaller Saturn IB vehicles, the Apollo spacecraft will also fly manned missions in earth orbit to prepare for the manned lunar mission and to conduct a variety of other scientific and operational experiments.

SPACE RESEARCH AND TECHNOLOGY

[Fiscal years. In millions]

Program	Payments to the public			Recommended new obligational authority for 1967
	1965 actual	1966 estimate	1967 estimate	
Administrative Budget Funds:				
Manned space flight	$3,538	$3,810	$3,600	$3,388
Scientific investigations in space	662	735	656	605
Meteorology and other space applications	89	101	100	101
Other research, technology, and supporting operations	804	954	944	919
Subtotal, administrative budget	5,093	5,600	5,300	[1] 5,012
Trust Funds	*	*	*	*
Total	5,093	5,600	5,300	5,012

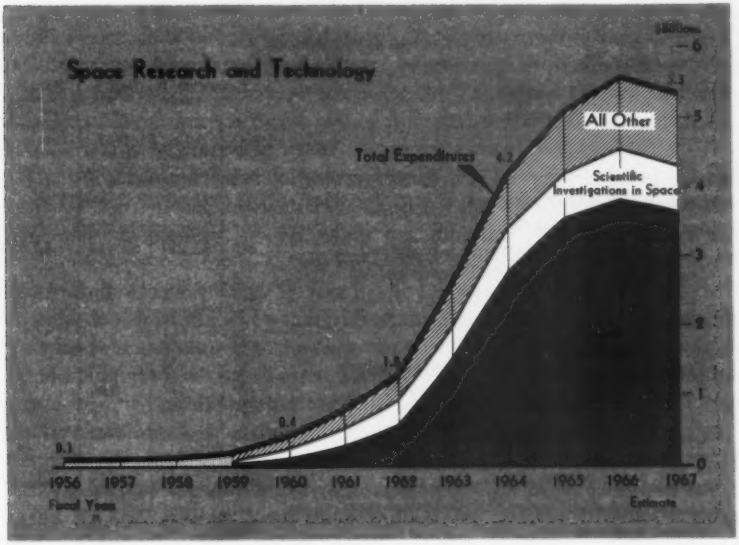
*Less than one-half million dollars.
[1] Compares with new obligational authority for 1965 and 1966, as follows:
Administrative budget funds: 1965, $5,250 million; 1966, $5,175 million.
Trust funds: 1965, $1 million.

The highly successful two-man Gemini program has been providing essential information on the techniques of space maneuver and rendezvous and significant scientific data, including the effects on men of lengthy exposure to the space environment. NASA's Gemini program will be concluded during 1967 but the Department of Defense will continue to use the Gemini spacecraft in the manned orbiting laboratory program.

Scientific investigations in space.—Extensive unmanned exploration of the moon will be undertaken in 1967 to obtain important scientific data in preparation for manned Apollo missions. The Surveyor spacecraft is designed to land on the moon and transmit television pictures of its surface to the earth, while the Lunar Orbiter is expected to provide clear pictures of a large number of possible Apollo landing sites.

Scientific investigations nearer earth will be continued with large geophysical observatories and small solar observatories and explorer satellites. Large unmanned astronomical observatories will be in orbit in 1967, enabling astronomers—for the first time in history—to observe the universe free from the distorting effects of the earth's atmosphere.

Funds are also provided to continue the program of unmanned planetary exploration by sending Mariner spacecraft to Venus in 1967 and to Mars in 1969. The Mars mission will obtain additional vital information for development of the much larger Voyager spacecraft looking toward a landing on Mars in the 1970's.



Meteorology and other space applications.—Development of new sensors and techniques for eventual application in improved meteorological satellite systems will continue. The Nimbus satellite will provide flight tests of these improvements.

Flights of the Applications Technology Satellite will begin in calendar year 1966 for a variety of space applications experiments.

Other research, technology, and supporting operations.—Continuing programs of aircraft technology and advanced research and development directed toward future space missions will be carried on during 1967. NASA will also continue to provide colleges and universities with grants for facilities, research, and training of advanced degree candidates in fields related to space sciences. In addition, funds are included in the budget for the installation and operation of ground equipment necessary to track and acquire data from spacecraft.

AGRICULTURE AND AGRICULTURAL RESOURCES

The Food and Agriculture Act of 1965 continues the shift in emphasis in the Nation's farm program from supporting prices at high levels through commodity purchases and loans to direct payments to farmers as a means of maintaining farm income. This trend began with the 1961 feed grain program.

AGRICULTURE AND AGRICULTURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1967
	1965 actual	1966 estimate	1967 estimate	
Administrative Budget Funds:				
Farm income stabilization:				
Price support, supply, and purchase programs	$2,646	$2,250	$2,164	$2,490
Conservation reserve, cropland conversion, and cropland adjustment programs	203	188	320	353
National Wool Act	23	38	47	37
International Wheat Agreement	35	75	3	60
Transfer of commodities to supplemental stockpile	41	34	41	13
Removal of surplus agricultural commodities	273	321	186	216
Sugar Act	92	94	85	80
Other	126	134	143	144
Subtotal	3,438	3,134	2,989	3,394
Financing rural electrification and rural telephones:				
Present programs	392	382	392	317
Proposed legislation		−189	−196	−305
Agricultural land and water resources:				
Soil Conservation Service—conservation operations	104	110	109	109
Agricultural conservation program payments (including CCC loan)	213	222	195	100
Other	24	43	44	30
Financing farming and rural housing:				
Farmers Home Administration:				
Present programs	285	100	−4	86
Proposed legislation for pool participation sales			−600	
Farm Credit Administration	−17	−10	−8	
Research and other agricultural services:				
Present programs	457	522	519	514
Proposed legislation for inspection fees			−68	−73
Subtotal, administrative budget	4,898	4,313	3,372	[1] 4,172
Trust Funds (mainly federally sponsored farm credit institutions)	927	600	623	[1] 32
Intragovernmental transactions and other adjustments (deduct)	472	315	351	
Total	5,353	4,598	3,645	

[1] Compares with new obligational authority for 1965 and 1966, as follows:
Administrative budget funds: 1965, $4,253 million; 1966, $5,895 million.
Trust funds: 1965, $30 million; 1966, $31 million.

The 1965 farm legislation also gives increased recognition to (1) the need to provide the Secretary of Agriculture with greater discretionary authority to adapt farm commodity programs to changing conditions affecting farm production and income and (2) the need to deal with the problems of commercial farmers on a different basis from the problems of low-income farmers and other low-income rural people.

The 1967 budget reflects greater use of the services of the Department of Agriculture in assisting eligible rural people to participate more fully in Federal programs to broaden the opportunities of all low-income people for a better life. The recently established Rural Community Development Service in the Department is being expanded to help in this effort by providing information to other Federal agencies and assistance to local communities. The Department will also participate with other agencies and local representatives in establishing pilot multi-county development districts to provide effective area-wide planning of health, educational, and other programs to improve rural life.

Payments to the public for agricultural programs in 1967 are estimated at $3.6 billion, down $953 million from 1966. Most of this reduction reflects proposed legislation to make possible the substitution of private for public credit by authorizing the sale of participations in direct loans made by the Farmers Home Administration.

Farm income stabilization.—Expenditures in 1967 for farm income stabilization (excluding Food for Peace expenditures) are estimated at $3.0 billion, $145 million less than in 1966. Increased expenditures under the wheat program and expenditures for the new cropland adjustment program are expected to be more than offset by lower expenditures on programs for other commodities, particularly feed grains and cotton.

Expenditures of $170 million are estimated in 1967 under the cropland adjustment program, which combines cropland diversion with incentives to shift land to more desirable uses. Participation is restricted to farmers who agree to divert all of their base acreage for cotton, feed grains, or wheat. A part of the budgetary costs of the regular farm commodity programs will, therefore, be absorbed by expenditures under this program, which also includes expenditures for Federal sharing of the costs of diverting cropland to recreational and other uses.

In the past, changes in the level of commodity inventories of the Commodity Credit Corporation were a fairly reliable index of changes in the budgetary cost of the principal farm commodity programs.

With the shift in emphasis from price supports and commodity acquisitions to direct income payments to farmers who comply with acreage restrictions, CCC inventories have lost much of their earlier significance. For most farm commodities, these inventories are now at a much lower level than in the early 1960's, with the exception of cotton; under the 1965 farm legislation, cotton stocks are also expected to decline. One significant result of these developments is that U.S. contributions of food as a part of our international Food for Peace program will be increasingly dependent on current farm production rather than on accumulated stocks.

A National Advisory Commission on Food and Fiber, appointed in November 1965, is reviewing present farm programs as a part of its broader assignment to make a penetrating appraisal of our agricultural and related foreign trade policies. Its recommendations, expected by mid-1967, will provide a basis for the consideration of needs for further farm legislation.

Financing rural electrification and rural telephones.—The Rural Electrification Administration is continuing to emphasize the negotiation of reasonable contracts under which REA-financed systems purchase power from other suppliers. Such contracts will reduce the need for generation and transmission loans.

New obligational authority of $12 million is recommended for the electrification and telephone programs in 1967. This reduction of $462 million from 1966 assumes early enactment of proposed legislation authorizing the use of collections on outstanding loans to help finance new loans, with continued control through the appropriations process. Under this legislation, estimated collections of $189 million in 1966 and $196 million in 1967 will be available to finance these loan programs. These funds, along with those available from previous years, will permit the Rural Electrification Administration to make loan commitments of $270 million in 1967 for the electrification program and $85 million for the telephone program. Remaining funds will be available for loans in later years.

Efforts are underway to develop alternative means of financing the rural electrification program.

Agricultural land and water resources.—Expenditures in 1967 for technical assistance to aid farmers in installing conservation practices on their farms are estimated at $109 million, about the same as in 1966. The budget also includes funds for grants and technical assistance to 20 presently authorized resource conservation and development pilot project areas and planning assistance for additional areas. The objective of this program is to promote the economic

growth of rural areas through the conservation and development of their natural resources.

Expenditures in 1967 under the agricultural conservation program will stem mainly from the $220 million authorization enacted by the Congress for the 1966 program year. The Secretary of Agriculture has instituted procedures to screen more closely the kinds of practices for which cost-sharing will be made available, with the view of coordinating conservation aids with the Government's production adjustment and income support objectives. New obligational authority of $100 million is proposed for the 1967 program year. This amount will be adequate to permit the Government to share with farmers the costs of a substantial number of needed conservation practices that will have minimal effects on stimulating the immediate output of farm commodities.

Financing farming and rural housing.—The Farmers Home Administration provides direct loans and insures private loans to meet special credit needs associated with farming, rural housing, rural water and sewer facilities, and related rural problems. The total volume of loans to be made directly or insured by the Farmers Home Administration in 1967 is estimated at $1.2 billion, an increase of $149 million over 1966. Loans to private associations and public bodies for sewer and water facilities will rise. In addition, the Farmers Home Administration will make an estimated $33 million of grants in 1967 for housing of domestic farm labor, repair and improvement of dwellings of low-income rural residents, and water and sanitary facilities in rural areas. While the program level is expected to be higher in 1967 than in 1966, expenditures under existing legislation are estimated to be $104 million lower, mainly because of increased emphasis on insured loans.

The budget also includes proposed legislation to authorize sales of certificates of participation in direct loans made by the Farmers Home Administration and thus provide a new private source of funds for financing rural credit requirements. Under this legislation, sales of $600 million in certificates of participation are estimated in fiscal year 1967. As a result, receipts from these sales and other sources will substantially exceed FHA expenditures in 1967.

Research and other agricultural services.—Estimated expenditures for research and other agricultural services in 1967 are $452 million compared with $522 million in 1966. Included are expenditures for construction of facilities at livestock research stations, for increased grants and contracts for research, for the staffing of newly constructed research laboratories, and for economic research and extension work in Appalachia. Additional expenditures are proposed

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to meet workload requirements on plant and animal inspection and quarantine and pesticide registration, and for urgent disease and pest control programs. Funds for extension education will be shifted to emphasize work with low-income families and resource development.

Increased expenditures are offset by the curtailment of low priority research at 69 locations, a decrease in payments to State experiment stations, and the elimination of certain plant and animal disease and pest control work.

Legislation is again proposed to finance the cost of Federal meat and poultry inspection activities and certain other inspection and grading activities through a system of user charges. Receipts from these user charges are estimated at $68 million in 1967.

NATURAL RESOURCES

The United States is fortunate in having the natural resources required to meet the needs of an increasing population and a growing economy. The budget recommendations for fiscal year 1967 provide for the most essential Federal activities needed to carry forward the development and efficient use of these resources. Payments to the public in 1967 for the conservation and development of natural resources are estimated at $3.0 billion, an increase of $127 million over 1966.

Land and water resources.—A large part of the $2.1 billion of estimated 1967 expenditures for land and water resources represents an investment in assets that will yield benefits for years to come. Most of these expenditures are for the construction and operation of water resources projects which provide navigation, flood control, irrigation, water supply, and power benefits, as well as recreational opportunities.

Water resources planning.—The Nation cannot afford to be without sound plans to meet the expanding demands for clean and adequate water supplies, particularly for the increasingly urgent needs of urban areas. The Water Resources Planning Act of 1965 provides additional tools to help resolve the complex problems involved in water resources planning. This Act created a Water Resources Council to improve coordination of Federal water resources activities and authorized establishment of joint Federal-State river basin planning commissions. It also provided for financial assistance to the States for water resources planning.

With funds appropriated for 1966, two river basin planning commissions are expected to be established. The 1967 budget provides funds

NATURAL RESOURCES

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1967
	1965 actual	1966 estimate	1967 estimate	
Administrative Budget Funds:				
Land and water resources:				
Corps of Engineers	$1,169	$1,245	$1,290	$1,290
Department of the Interior:				
Bureau of Reclamation:				
Present programs	328	323	304	299
Proposed legislation	-------	-------	2	3
Power marketing agencies:				
Present programs	63	94	131	137
Proposed legislation	-------	−66	−70	−45
Office of Saline Water	11	16	22	31
Bureau of Indian Affairs	119	101	118	126
Bureau of Land Management and other	65	70	70	74
Tennessee Valley Authority	48	57	84	64
Soil Conservation Service—watershed projects	91	102	103	99
International Boundary and Water Commission	14	26	24	13
Federal Power Commission and other	14	15	19	19
Subtotal	1,922	1,985	2,098	2,110
Forest resources:				
Forest Service	353	400	387	374
Bureau of Land Management	21	21	22	22
Recreational resources:				
Bureau of Outdoor Recreation	4	68	77	114
National Park Service and other	130	126	127	123
Fish and wildlife resources	120	123	123	121
Mineral resources:				
Bureau of Land Management	47	48	53	53
Bureau of Mines and other	58	66	88	83
General resource surveys and administration	94	84	86	89
Subtotal, administrative budget	2,750	2,920	3,062	[1] 3,089
Trust Funds:				
Indian tribal funds	74	70	59	103
Other	60	74	83	83
Subtotal, trust funds	134	144	142	[1] 186
Intragovernmental transactions and other adjustments (deduct)	64	151	163	
Total	2,820	2,914	3,041	

[1] Compares with new obligational authority for 1965 and 1966, as follows:
Administrative budget funds: 1965, $3,045 million; 1966, $3,119 million.
Trust funds: 1965, $185 million; 1966, $179 million.

for the Federal share of the cost of an additional commission to be established in 1967 and for the initial planning grants to the States.

The United States will initiate a cooperative international effort to help find solutions for the world's water problems. The program is an effective expression of the deep interest of this country in sharing with other nations its knowledge of the development and use of water resources. The International Hydrological Decade now underway will provide the scientific basis for this program and improve the worldwide knowledge of water resources. The United States plans to sponsor an international conference to consider these problems.

Water and related power developments.—Most of the new obligational authority recommended for water resources in 1967 will be for continuation of construction on projects started in prior years. These projects are being funded at minimum rates consistent with orderly construction progress.

In addition, the budget includes $9 million of new obligational authority for the Corps of Engineers to start construction on 25 new projects, compared with 41 new starts proposed last year for 1966. Additional funds are included to begin advance planning on 27 projects to be constructed in later years. In line with recent legislation, funds recommended in the 1967 budget for the Corps of Engineers flood-plain information program are double the amount provided in 1966. Studies conducted under this program will help State and local governments and private citizens make more appropriate use of flood-plain lands without unnecessary exposure to flood damage and loss of life.

New obligational authority recommended for the Bureau of Reclamation includes funds to initiate three large projects and one small project. The Auburn-Folsom South Unit in California and the Garrison Diversion Unit in North and South Dakota have already been authorized. Legislation is pending to authorize the third large project, an additional power plant at Grand Coulee in Washington.

The Tennessee Valley Authority will begin construction of the Tellico multiple-purpose project, the Bear Creek project, and a steam-plant unit. Expenditures on these projects are estimated at $26 million in 1967. Planning will be started on an additional steamplant unit. New borrowing authority will be necessary by fiscal year 1968 to insure availability of funds to build this unit and other future power facilities. To allow consideration of the proposal, legislation will be sent to the Congress this year.

New obligational authority recommended for the watershed protection program of the Soil Conservation Service in the Department of Agriculture will permit the starting of construction on 35 new projects in 1967, compared with 80 projects in 1966.

Expenditures of the Bonneville Power Administration (BPA) are estimated to increase by $36 million to $120 million in 1967. This increase is for continued construction of the Pacific Northwest-Southwest Intertie transmission system and the high-voltage backbone grid system in the Northwest. The BPA recently increased its power rates to keep the system on a financially sound basis. Legislation proposed last year is again recommended to allow the Bonneville, Southeastern, and Southwestern Power Administrations to use revenues from the sale of power, with continued control through the appropriations process, to finance capital outlays and operating costs on a basis consistent with other business enterprise activities of the Federal Government. Revenues from the sale of such power are currently deposited in miscellaneous receipts of the Treasury.

The Office of Saline Water will spend $22 million in 1967 to continue research and development work on desalting sea and brackish water for municipal and industrial use. Construction of a distillation unit will be continued at the west coast test center in order to advance the technology of large-scale conversion plants. In addition, cooperative arrangements are being explored with various non-Federal groups for the possible construction of a fully operational prototype desalting plant.

Public domain and Indian lands.—Receipts from management of the grazing and forestry lands and from mineral leasing activities on the public domain lands are estimated at $119 million in fiscal year 1967. Of this amount, $77 million will be paid to States and counties in which the lands are located. Receipts from mineral leasing of the Outer Continental Shelf lands are estimated at $400 million in 1967. Expenditures in 1967 for resources management, construction and maintenance of facilities, and roads and trails on the public domain are estimated at $62 million, about the same as in 1966.

The 1967 budget will enable the Bureau of Indian Affairs to make further progress in meeting the urgent need for new school facilities for Indian children. The $47 million of new obligational authority for planning and construction of schools in 1967—double the amount provided in 1966—is the minimum needed. All the schools for which construction funds are recommended must be started in 1967 to meet the rapid growth of the Indian school-age population, the obsolescence of existing facilities, and the overcrowded conditions that prevail in some locations.

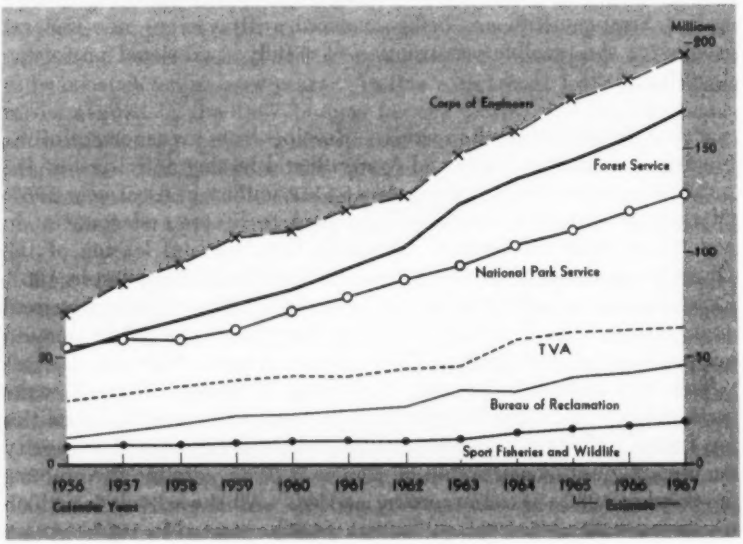
Under the Elementary and Secondary Education Act of 1965, payments are made to States by the Office of Education for children of school age, including those who attend Federal Indian schools. An amendment to this Act is being recommended to provide that the funds for these Indian children be allocated to the Bureau of Indian

Affairs in those cases where the Bureau is responsible for their schooling, instead of being paid to the States.

Expenditures of $76 million in 1967 will provide for irrigation development on Indian reservations, for road construction and maintenance, and for continuation of efforts to expand industrial activities and improve housing. Indian tribal trust funds are used to supplement expenditures for various activities on the reservations.

Forest resources.—The 182 million acres of national forest lands now supply about one-quarter of the timber consumed by American industry. In addition, these forests provide outdoor recreational facilities for a large segment of our population. Expenditures by the Forest Service for recreational facilities in the forests will increase by $3 million to $36 million in 1967 to help provide for the increasing number of visitors. The number of visitors to our national forests is estimated to increase from 144 million in 1965 to 169 million in 1967.

Visitors to Federal Recreation Areas



Recreational resources.—The Bureau of Outdoor Recreation will continue the development of a nationwide Outdoor Recreation Plan. Grants of $69 million from the Land and Water Conservation Fund will be made to States in 1967 to assist in acquiring land and water areas, and in planning and developing areas for public outdoor recreation purposes. The Fund will also be used to enable the National

Park Service, Forest Service, and Bureau of Sport Fisheries and Wildlife to acquire areas for outdoor recreation purposes and for the preservation of endangered wildlife species.

Pending legislation should be enacted to authorize the national park, seashore, and lakeshore areas recommended to the Congress in a message on Natural Beauty last year. Legislation is recommended to extend Federal support to the famous Appalachian Trail which provides a hiking path from Maine to Georgia. Authorization will be sought for studies of means to encourage the development of hiking trails accessible to people in other parts of the country. Upon enactment of legislation being recommended to authorize a Redwoods National Park in northern California, the Land and Water Conservation Fund will be used to initiate the acquisition of land for this park.

Expenditures of $127 million by the National Park Service in fiscal year 1967 will provide for the management and development of the scenic, historic, and recreational resources of the 230 areas in the national park system. Visitors to these areas are estimated to increase from 111 million in 1965 to 128 million in 1967.

Fish and wildlife resources.—In 1967, the Bureau of Sport Fisheries and Wildlife will operate 90 Federal fish hatcheries for propagation of food and game fish and 304 wildlife refuges in the 50 States, including 14 new refuges. River basin studies will be made to design measures to protect the fish and wildlife affected by water-use projects of other Federal agencies.

Three new research and exploratory fishing vessels will be completed by the Bureau of Commercial Fisheries in 1967. Assistance to the fishing industry will be continued through support of research and development, including grants to States; economic and market studies; fishing vessel construction subsidies; and loans.

Mineral resources.—The Bureau of Mines will place increased emphasis in 1967 on research to help improve the natural environment and at the same time contribute to the economic expansion of the Nation's mineral base. Research on prevention of solid mineral wastes will be strengthened by further work on two demonstration plants for conversion of junk automobiles into products usable by the steel industry. An important element of one of these processes will be to make more low-grade iron ore useful for steel production. The Bureau will also expand its work on air pollution in relation to the economics of fossil fuels and minerals.

General resource surveys.—The Geological Survey and other agencies will play an important role in the International Hydrological Decade—a 10-year program for cooperation in scientific hydrology

which will improve understanding of continental and global water resources. In addition, the Geological Survey will continue its analysis of the earth's crust and the upper mantle, which is of fundamental importance to prediction of earthquakes. Studies of river basin and ground water resources will be of significant value in planning the construction of river basin projects.

COMMERCE AND TRANSPORTATION

The Federal Government in 1967 will continue to strengthen and improve its technical and financial services to business, to stimulate the development of depressed geographical areas, and to improve major nationwide transportation and communication services. Continuing efforts will also be made to promote both the public and private interest by helping to maintain effective competition and by regulating certain key industries.

In 1967, payments to the public for commerce and transportation programs will total an estimated $6.6 billion. Well over half of these payments represent trust fund expenditures for federally aided highways financed primarily from highway user taxes. The 1967 total is $418 million less than the estimated payments for 1966. This decrease results primarily from (1) sales of private participations in a proposed pool of Small Business Administration loans; (2) the termination of the temporary accelerated public works program started in 1963; and (3) lower expenditures for the postal service. These decreases more than offset increased expenditures for other economic development programs and several other activities.

Advancement of business.—The Department of Commerce assists business enterprise mainly through aids to civilian research and technology, export promotion, and patent services, and through providing weather and related environmental data, census materials, and other economic, commercial and trade information. The Small Business Administration provides loans and special services to small businesses. Because of the substitution of private for public credit, expenditures for these programs are expected to be $451 million lower in 1967 than in 1966.

Scientific and technical information.—Information of a scientific and technical nature developed through the activities of Federal agencies makes a major contribution to the Nation's economic progress. The 1967 budget for the National Bureau of Standards provides additional funds to make technical information available in more useful form through increased emphasis on critical evaluation of scientific data and the development of performance standards. In addition, efforts will be made to achieve greater standardization in

COMMERCE AND TRANSPORTATION

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1967
	1965 actual	1966 estimate	1967 estimate	
Administrative Budget Funds:				
Advancement of business:				
Department of Commerce:				
National Bureau of Standards	$64	$59	$44	$34
Office of State Technical Services	.....	2	6	8
Environmental Science Services Administration	134	142	160	165
Other aids to business	100	98	118	128
Small Business Administration:				
Present programs	243	305	60	8
Proposed legislation for pool participation sales	.....	−350	−545	.....
Alaska Railroad and other	15	44	5	.....
Area and regional development:				
Department of Commerce	76	90	183	373
Public works acceleration program and other	322	127	9	1
Aviation:				
Federal Aviation Agency	795	800	840	758
Civil Aeronautics Board—subsidies	80	79	73	75
Water transportation:				
Department of Commerce	337	330	297	299
Coast Guard	386	410	454	493
Interoceanic Canal Study Commission and other	4	8	5	6
Highways:				
Appalachian highways	.....	20	102	130
Other highway programs	39	57	.....	.....
Postal service	805	878	755	836
Regulation of business	98	101	104	105
Subtotal, administrative budget	3,499	3,202	2,672	[1] 3,421
Trust Funds:				
Department of Commerce:				
Highway trust fund:				
Present programs	4,026	3,970	3,970	4,030
Proposed legislation	.....	.....	110	283
Other	18	29	38	42
Federal Deposit Insurance Corporation	−180	−220	−223	.....
Subtotal, trust funds	3,864	3,780	3,895	[1] 4,355
Intragovernmental transactions and other adjustments (deduct)	−59	−57	−53	
Total	7,421	7,038	6,620	

[1] Compares with new obligational authority for 1965 and 1966, as follows:
Administrative budget funds: 1965, $3,269 million; 1966, $3,908 million.
Trust funds: 1965, $3,901 million; 1966, $4,109 million.

the field of automatic data processing by providing additional funds for the new Center for Computer Sciences and Technology. In spite of these program increases, expenditures by the National Bureau of Standards will decrease in 1967 by $15 million to a total of $44 million as the new laboratory complex in Gaithersburg, Md., is completed.

Expenditures for the new Office of State Technical Services are estimated to be $6 million in 1967, its first full year of operation. This is an increase of $4 million over 1966. This office administers a program of matching grants which support State and regional centers for making the findings of science more useful and easily available to American enterprise.

Environmental science services.—The 1967 budget of the new Environmental Science Services Administration provides for improvements in the system for warning the public of natural environmental hazards. The focus initially will be on the tornado alley in the Midwest. Additional weather surveillance radars will be installed and communications facilities provided to convey disaster warnings more rapidly and to more communities. Research and development efforts, particularly in weather modification and prediction, will also be expanded. Replacement of an obsolete coast survey vessel will improve both the quality and quantity of tide and current data along our coasts. By 1967 the Tiros weather satellite system is expected to be fully operational and will provide twice-daily reports of global weather conditions. These and other improved services are expected to increase Environmental Science Services Administration expenditures to $160 million in 1967, $18 million more than in 1966.

Other Commerce aids to business.—The budget provides added funds in 1967 for the Department of Commerce to step up substantially its efforts to increase the number of foreign visitors to this country. Greater efforts will also be made to increase the number of American firms exporting their products.

Expenditures for high-speed ground transportation research and development in the Department of Commerce are estimated at $17 million in 1967, an increase of $13 million over 1966. Full-scale demonstration and evaluation of improved rail passenger service in the northeast corridor will begin early in 1967 as new passenger cars are delivered. Investigation and testing of new technology for materials, power and control systems, and guideways will also be conducted.

Patent Office expenditures are estimated to rise by $2 million in 1967, in order to permit a further reduction in the backlog of pending patent applications. Dispositions of patent applications are projected at 102,000 in 1967, which is 2,000 more than in 1966. Development

will continue on automated systems for microfilming, storing, and retrieving patent and related information. Beginning in 1969, when these systems become fully operational, savings will be about $500,000 per year. Recently enacted legislation authorizes higher fees and charges for patent services; total receipts will amount to $25 million in 1967, $16 million more than in 1965.

The Census Bureau will continue work on plans for using mail surveys more extensively in the 1970 decennial census. Self-enumeration techniques combined with more modern automatic data processing equipment will provide more reliable data and will permit the greater workloads to be handled at lower unit cost than previous censuses of this type. Savings of $2 million already have been realized through the use of automation and improved procedures in the Census of Agriculture. Total expenditures of the Census Bureau in 1967 will remain at the 1966 level of $27 million.

Small business.—The Small Business Administration will increase its financial aid and other assistance to small businesses in 1967. Wherever possible, private credit will be enlisted through Government loan guarantees, bank participations, and sales of participations in pools of Small Business Administration loans. Enactment of legislation is again recommended to authorize such sales. Receipts from this source, estimated at $350 million in the closing months of 1966 and $850 million in 1967, will finance loans of about $300 million which would otherwise have required appropriations, as well as provide substantial funds for later years.

Many financial needs of small businesses can be met initially only through direct Government loans. These include economic opportunity loans, which are estimated at $50 million in 1967, up $22 million from 1966. Natural disaster loans are expected to total $100 million in 1967. This is $105 million less than in 1966, a year of unusually destructive major disasters. In addition, the budget provides for a $10 million increase in loan commitments to local development companies and an additional $73 million for regular business lending in 1967.

Area and regional development.—Expenditures for economically distressed areas under the Public Works and Economic Development Act of 1965 will almost double in 1967 to $164 million as more projects approved under this Act reach the construction stage. However, appropriations requested under the new act are approximately the same for 1967 as for 1966. The amounts estimated provide for a new program to promote the development of industrial and commercial centers in or near distressed areas where economic growth is most

likely to succeed, benefiting both the center itself and the surrounding areas. Also included are increased funds for regional action planning commissions, to be established in 1966, for the purpose of preparing specific regional plans.

Under the direction of the Appalachian Regional Commission, established in 1965, the special development program for the 17½ million people of Appalachia is moving ahead rapidly. A system of highways is under construction, natural resource programs have been developed, and needed public facilities are being built in areas with significant potential for growth. This Federal-State effort is designed to eliminate the obstacles to prosperity which this region has too long endured.

SPECIAL PROGRAMS TO DEVELOP APPALACHIA [1]

[Fiscal years. In millions]

Program	Estimated administrative budget expenditures	
	1966	1967
Highway construction	$20	$102
Conservation and development of natural resources	10	21
Vocational education and health activities	4	13
Other developmental aids (including research and supplemental grants)	6	21
Total	40	156

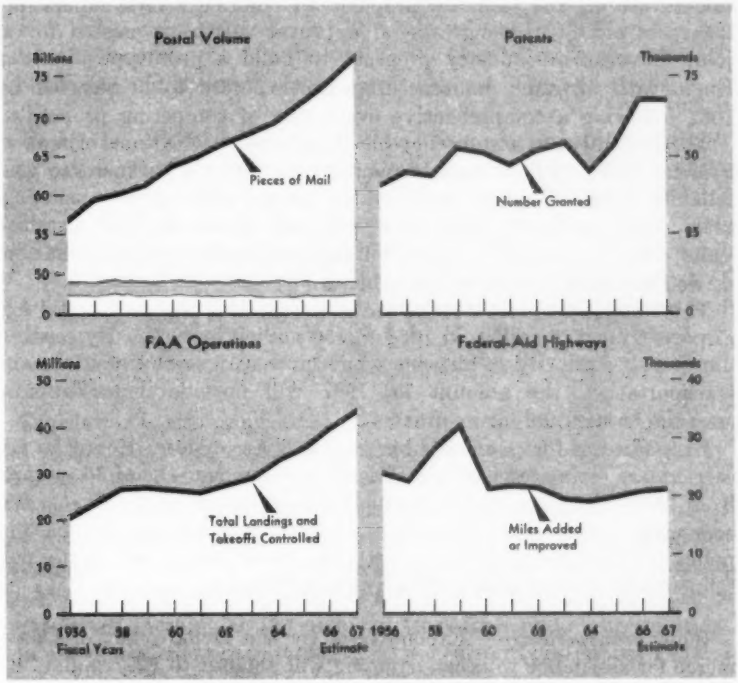
[1] These programs are in addition to outlays in Appalachia under regular nationwide Government programs.

Transportation.—Proposals are being made to improve and coordinate our present transportation programs. These changes will pay dividends in terms of a safer and more efficient transportation system, resulting in reduced costs to carriers, users, and taxpayers.

The 1967 program includes recommendations for: (1) establishment of a Department of Transportation, (2) a highway safety program reorganized and expanded to reduce the appalling loss of life and property damage resulting from highway accidents, (3) continued research and demonstrations to improve inter-city high-speed ground transportation and urban mass transit (discussed under Housing and Community Development), and (4) development of a safe and economical supersonic aircraft. These measures, and others to be proposed, will be discussed in a separate message.

In fairness to the taxpayers and to encourage efficient use of Government-financed transportation facilities, the substantial benefits re-

Commerce and Transportation – Program Trends



ceived by travelers and shippers from Federal expenditures on highways, airways, and waterways should be paid for by the users of these facilities in larger measure than is now the case. Accordingly, recommendations are being made for new or increased transportation user charges; these recommendations are discussed in Part 3 of this budget.

Aviation.—The Federal Aviation Agency is continuing its efforts to provide better and safer airways services at lower cost by (1) improving the productivity of its employees and (2) eliminating or curtailing facilities and services which are of marginal usefulness. Partly as a result of these efforts, total appropriations for the Agency will decline by $110 million in 1967 to a level of $758 million. Expenditures, however, will increase from an estimated $800 million in 1966 to $840 million in 1967, primarily because of research and development on the civil supersonic transport aircraft.

During the past year, competing manufacturers have made progress toward solving the technical problems of building a civil supersonic transport aircraft. Congressional approval will be requested for a joint Government-industry program to build a prototype aircraft. Engine and airframe manufacturers are expected to be selected in 1967 following a comprehensive evaluation of competing proposals.

The Federal Aviation Agency has developed the National Airspace System (NAS) which uses semiautomatic devices to increase the reliability and efficiency of air traffic control and reduce operating costs. Appropriations from prior years will finance six NAS installations; funds in the 1967 budget will finance another NAS installation as well as other airways improvements.

This budget proposes a reduction in the funding of grants-in-aid for airports from $75 million in 1966 to $50 million in 1967. By continuing to give priority to airports which primarily serve interstate air transportation, the amount for 1967 will provide improvements essential to national air commerce.

Expenditures for payments by the Civil Aeronautics Board to air carriers are estimated at $73 million in 1967, a decrease of $6 million from 1966. This decline is the result of increases in air traffic, carrier economies, elimination of subsidies to helicopter operators, the Board's policy of terminating service at very low traffic points, and continued refinements of the Board's subsidy control plan.

Water transportation.—Expenditures by the Department of Commerce for assistance to ocean shipping will amount to $297 million in 1967, a decrease of $33 million from 1966. Vessel operating subsidies will remain at about the 1966 level as Government charter of subsidized vessels for worldwide shipping will continue unchanged. Funds will be provided for the construction of 13 new vessels as part of the continuing program for replacement of old vessels in the subsidized fleet. Beginning in 1967, appropriations for the purchase of old vessels being traded in on newly constructed vessels will be requested as the replacement ships are delivered rather than in the year construction is begun.

New obligational authority of $103 million is requested for the acquisition, construction, and improvement of Coast Guard facilities in 1967. This is $13 million less than 1966, but it is sufficient to permit essential replacement of over-age vessels and facilities. With the transfer of funding for five major icebreakers from the Navy in 1966, the Coast Guard assumes full responsibility for all U.S. icebreaking activities. Unification of this fleet under Coast Guard command will result in more efficient use of vessels and other operating economies. Total expenditures for all Coast Guard activities are estimated at $454 million in 1967.

This budget also includes an appropriation of $6 million in 1967 for the Interoceanic Canal Study Commission. These funds will permit substantial progress on the study of the feasibility of a sea level canal between the Atlantic and Pacific Oceans, including the most suitable site and the methods and probable cost of construction.

Highways.—Federal highway outlays, financed primarily from the highway trust fund, will increase by $135 million in 1967 to $4.2 billion. Nearly three-quarters of this total is for the 90% Federal share of the cost of the Interstate Highway System. The 41,000-mile system, now more than half finished, is estimated to cost a total of $46.8 billion, of which the Federal share is $42 billion. Most of the remaining 1967 highway expenditures are for the primary and secondary road programs. Legislation is being recommended to extend these latter programs for 2 years at the current annual level of $1 billion.

Legislation is also proposed to transfer financing of forest highways, public lands highways, and the programs authorized by the Highway Beautification Act of 1965 to the highway trust fund.

The highway expenditures remaining in the administrative budget are for a special developmental highway construction program for the Appalachian region. These expenditures are estimated to increase by $82 million to an estimated $102 million in 1967.

Revenues accruing to the highway trust fund under current legislation are insufficient to provide for (1) the currently estimated Federal share of the cost of the Interstate Highway System, (2) an expanded highway safety program, and (3) the programs proposed for transfer to the trust fund. Therefore, legislation is again being requested to increase highway user taxes. Legislation will also be proposed to finance highway beautification costs by transferring to the trust fund receipts equal to 1 percentage point of the existing auto excise tax, explicitly designated for this purpose.

Postal service.—Expenditures of the postal service in 1967 are estimated to exceed postal revenues by an estimated $755 million. This compares with $805 million in 1965 and an estimated $878 million in 1966. The decrease from 1965 results from operating economies, actions to provide higher parcel post revenues, and increases in the fees charged for several of the postal special services.

Significant improvements are planned in the quality of postal service in 1967. In addition, ZIP code presorting by large mailers will result in more direct distribution with fewer intermediate handlings of a large portion of the mail. More electronic ZIP code readers will be installed to expedite letter mail in several large offices. This is part of

an accelerated program to install proven mechanization as rapidly as possible to assist in handling the ever-increasing volume of mail.

HOUSING AND COMMUNITY DEVELOPMENT

The Department of Housing and Urban Development will take primary responsibility for working with other Federal agencies and with State and local governments to focus all available resources on the problems of central cities and expanding suburbs.

Poor housing conditions and obsolete public facilities in large areas of central cities still remain our most pressing urban development problem. These conditions tend to breed poverty, crime, and disease. A new program is proposed to show how local, State, and private groups—assisted by the Federal Government—can undertake a major renovation of blighted slum areas. Further details of this new demonstration program are presented in a special message to the Congress.

Net payments to the public for all housing and community development programs are expected to be $1.2 billion in 1967, a decrease of $789 million from 1966. This decrease results primarily from lower trust fund expenditures by the Federal National Mortgage Association.

On an administrative budget basis, total expenditures are estimated to increase by $46 million in 1967, mainly for urban renewal and community facility grants and housing loans under contracts made in prior years. However, new obligational authority in 1967 will decline primarily because sufficient authority for open space and FNMA special assistance programs was provided in prior years.

Urban renewal and community facilities.—Expenditures for urban renewal in 1967 are expected to be $413 million, up $51 million from 1966, as continual progress is made on projects approved in prior years. The Housing and Urban Development Act of 1965 and the 1966 Supplemental Appropriation Act have already provided $725 million for new urban renewal grant approvals in 1967, $50 million above that provided in 1966. Increasing emphasis will be placed on renewal of the city without wholesale clearance of large areas. The authority enacted in calendar year 1965 to aid intensive housing code enforcement in selected areas and the demolition of dangerous buildings throughout the city will be fully utilized. Authority will be sought to use more of the available funds for grants to the poor in urban renewal areas to help them repair their homes.

Improvement of the core areas of cities will be assisted by increasing from $12 million in 1966 to $25 million in 1967 the new obligational authority available to aid the construction of social service facilities in low income neighborhoods. Expenditures in 1967 for construction of such facilities are estimated at $12 million.

HOUSING AND COMMUNITY DEVELOPMENT

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1967
	1965 actual	1966 estimate	1967 estimate	
Administrative Budget Funds:				
Urban renewal and community facilities:				
Department of Housing and Urban Development:				
Urban renewal	$324	$362	$413	$741
Neighborhood facility grants		1	12	25
Open space land grants	6	18	30	1
Urban mass transportation	11	38	68	131
Water and sewer grants		1	51	100
Other	79	56	72	56
Proposed legislation for pool participation sales of public facility loans			−80	
Proposed legislation for demonstration cities			5	12
Public housing programs	230	249	261	280
Aids to private housing:				
Department of Housing and Urban Development:				
Federal Housing Administration	−115	116	−106	1
Federal National Mortgage Association:				
Special assistance functions	−392	−396	38	450
Management and liquidating programs	−105	−308	−139	
Secondary market loans and stock purchase	−42	75	36	
Proposed legislation for pool participation sales			−400	−450
Housing for the elderly—direct loans	41	54	64	80
Urban renewal rehabilitation loans and other	1	2	24	9
Federal Savings and Loan Insurance Corporation	−205	−262	−352	
National Capital Region:				
District of Columbia	61	65	111	104
National Capital Transportation Agency and other	2	6	15	26
Subtotal, administrative budget	−104	77	123	[1] 1,565
Trust Funds:				
Federal National Mortgage Association, secondary market operations, net	91	1,400	500	135
District of Columbia municipal government	385	446	490	494
Federal home loan banks, net	660	142	200	
Other	1	1	4	6
Subtotal, trust funds	1,136	1,988	1,194	[1] 635
Intragovernmental transactions and other adjustments (deduct):				
District of Columbia	125	138	189	
Other	−1	−55	−66	
Total	908	1,982	1,193	

[1] Compares with new obligational authority for 1965 and 1966, as follows:
Administrative budget funds: 1965, $1,269 million; 1966, $1,793 million.
Trust funds: 1965, $513 million; 1966, $674 million.

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Grants totaling $25 million, financed from new obligational authority enacted in 1966, will be approved in 1967 under the open space land grant program for the creation of parks in the developed areas of cities and to aid general programs for urban beautification. Under the same program, $60 million will be available for the preservation of some of the open space remaining in our central cities and expanding suburbs. Expenditures, primarily for grants approved in prior years, are expected to be $30 million in 1967.

The 1966 Independent Offices Appropriation Act provided $130 million for 1967, the same as for 1966, for mass transportation grants. These grants are used mainly to help cities pay that portion of the cost of constructing or acquiring mass transportation facilities which cannot be recovered from fares. Legislation is requested to authorize a $150 million program level for 1968 so that advance appropriations for that year can be requested. These advance appropriations assure communities that the program will be continued, thereby allowing them ample opportunity for planning improvements in their transit systems. Expenditures for mass transportation are estimated to increase from $38 million in 1966 to $68 million in 1967, chiefly for projects approved in prior years.

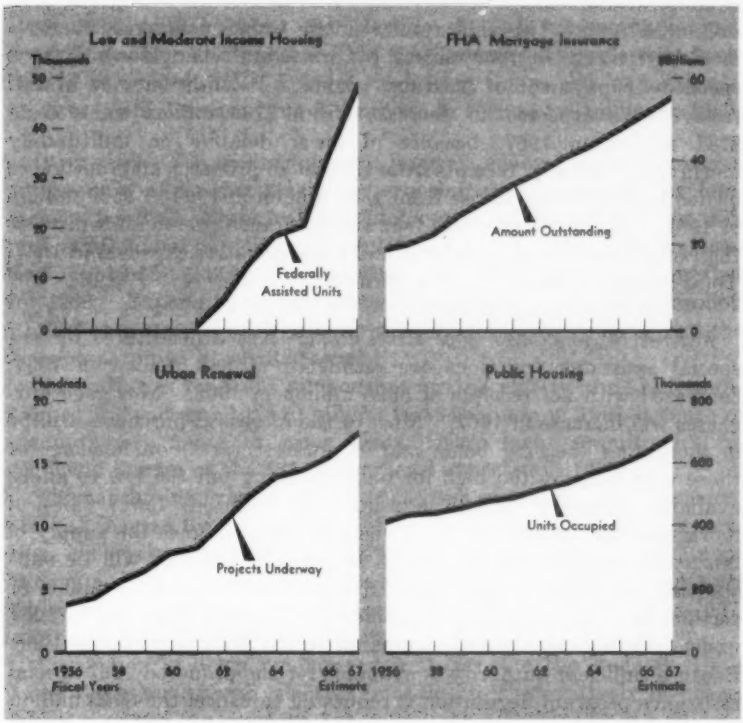
New obligational authority of $100 million is requested in 1967 for grants to communities and metropolitan areas for water and sewer facilities. The grants are available only to those communities which (1) plan, jointly with other communities where necessary, for the comprehensive development of the entire urban area involved and (2) develop an adequate program for meeting the water and sewer needs of that area. Expenditures for this purpose are estimated to increase from $1 million in 1966 to $51 million in 1967, as work on facilities approved in 1966 progresses.

To aid cities and metropolitan areas to carry on the comprehensive planning needed to assure efficient and effective use of their own and Federal community development programs, new obligational authority of $35 million is requested for 1967 for urban planning grants, about $8 million more than the amount appropriated for 1966.

In order to obtain more private financing for the public facility loan program, legislation will be proposed to facilitate sales of participations in pools of loans. Sales of $80 million of pool participations are expected in 1967.

Public housing programs.—Expenditures for public housing programs are estimated to increase from $249 million in 1966 to $261 million in 1967, primarily because more units of locally constructed low-rent public housing will be completed and occupied, requiring additional annual contributions to help local housing authorities repay the

Housing and Community Development – Program Trends



money borrowed for construction. New contracts to support 60,000 more publicly owned or leased homes for low income families are expected to be approved in 1967, up 19,000 from 1966. The 1967 total includes contracts for the leasing by local authorities of 7,000 housing units from the private market and for acquisition and rehabilitation of 10,000 units. Disbursements for the low rent public housing program will be offset somewhat by net receipts of $10 million from the sale of Government-owned housing and related facilities in Los Alamos, N. Mex., as the Government gives up its exclusive control over that community.

Aids to private housing.—The established programs for aiding private housing will continue to generate net receipts in 1967. These receipts, estimated to total $836 million in 1967, will be about $117 million higher than in 1966.

Federal Housing Administration.—The FHA is expected to shift from net disbursements of $116 million in 1966 to net receipts of $106 million in 1967. This shift results chiefly from a temporary increase in disbursements in 1966 caused by procedural changes which have speeded up payment of insurance claims. In addition, new claims received are expected to decrease—from $765 million in 1966 to $741 million in 1967—because of fewer defaults on multifamily mortgages. Finally, receipts from the sale of property and mortgages owned by the FHA will rise from $565 million in 1966 to $597 million in 1967. These receipts plus fees and insurance premiums will more than offset total claim payments and administrative expenses in 1967. Total insurance reserves will continue to increase.

Federal National Mortgage Association.—Net expenditures for the special assistance functions are estimated at $38 million in 1967, compared with net receipts of $396 million in 1966. Mortgage purchases will increase in 1967. Most of the increased purchases will be in mortgages (bearing below-market interest rates) on housing for those with incomes too high for public housing but too low to afford available standard private housing. In addition, fewer sales of mortgages are expected in 1967 than in 1966, because the supply of mortgages suitable for direct sale to private investors will be substantially reduced in 1966. Also, it is estimated that $120 million of certificates of participations in pooled mortgages will be sold in 1967 under existing legislation, compared with $355 million in 1966. Because sufficient authority is available for the proposed 1967 special assistance program, legislation is requested to cancel the $450 million of new obligational authority becoming available in 1967.

The supply of mortgages in the management and liquidating functions suitable for sale either directly or by pooling will also be considerably reduced in 1966, and net receipts under existing legislation are expected to be $139 million in 1967, a reduction of $169 million from 1966. Most of the remaining mortgages in this and the special assistance fund carry interest rates substantially below the present market rate. As part of the Government-wide program to broaden the private market for Government loans, legislation is proposed to authorize supplementary funds where necessary to assure interest payments on certificates of participation which are sold in pools of such mortgages. Under this legislation, sales of an additional $400 million of participations in FNMA mortgages are planned in 1967.

The rate at which mortgages are offered to the FNMA secondary market operation trust fund in 1967 is expected to be substantially lower than the record rate reached during part of fiscal year 1966.

Only minor mortgage sales are expected in both 1966 and 1967. Trust fund expenditures are therefore expected to be $500 million in 1967, $900 million below the 1966 level. Administrative budget expenditures for the purchase by the Treasury of preferred stock needed to support FNMA borrowings from the public for mortgage purchases will decrease from $75 million in 1966 to $36 million in 1967.

Other aids.—The rent supplement program enacted in 1965 provides an essential additional means for securing decent housing for low-income families. Approval is being requested to provide for $35 million of annual payments for contracts made in 1967 under the new rent supplement program, compared to the $30 million being requested for 1966. Expenditures, however, are expected to be only $3 million in 1967 because of the lag between the time funds are reserved and the housing occupied by eligible tenants.

Expenditures for loans for housing for the elderly and the handicapped will increase by $10 million to $64 million in 1967 because of commitments made in prior years. New loan commitments in 1967 will remain at the $85 million level expected in 1966.

The continuing growth of share accounts in savings and loan associations insured by the Federal Savings and Loan Insurance Corporation will produce a corresponding increase in receipts from insurance premiums. For this and other reasons, the Corporation's receipts are expected to exceed expenditures by an estimated $352 million in 1967, compared with $262 million in 1966.

Legislation is being recommended to provide the Federal Home Loan Bank Board with effective remedies, in the relatively few cases where required, to preserve the soundness of our savings and loan institutions without confining the Board to taking over an institution or terminating its insurance. Enactment of pending legislation is recommended to strengthen the safety and liquidity of, and to raise the maximum insurance coverage on individual accounts in, all federally insured banks and savings and loan associations.

National Capital region.—The District of Columbia Government provides both State and local government services for the National Capital city. It is appropriate, in the tradition of American democracy, that responsibility for self-government should be returned to the citizens of the District through the granting of home rule. The specific programs and fiscal requirements of the District government are discussed more fully in the separate District of Columbia budget.

The Federal budget provides $27 million to continue engineering and design efforts and to finance acquisition of land and materiel needed in construction of the authorized rail rapid transit system.

Efforts continue to develop an appropriate interstate compact with Maryland and Virginia to facilitate extension of the authorized core system into the adjoining suburbs.

To enhance further the beauty of the National Capital region additional appropriations are proposed to complete acquisition of the George Washington Memorial Parkway in Maryland and Virginia.

HEALTH, LABOR, AND WELFARE

Federal health, labor, and welfare programs play a major role in promoting the well-being of the American people. Through these programs, better medical care and treatment is made accessible, job opportunities are increased, the income of the aged and others not in the labor force is sustained, and the poor and needy are helped to become self-sufficient. In 1967, payments to the public for the Federal Government's health, labor, and welfare activities are estimated to increase by $5.2 billion over 1966 to a total of $39.3 billion. About three-fourths of these outlays will be made through trust funds financed by special taxes.

The increase in total payments in 1967 is mainly for the first year's cost of benefits under the programs of hospital insurance and other health services to older Americans enacted in 1965. The payments for these new programs will be made from a trust fund and are expected to total $3.3 billion in 1967. Outlays from trust funds for social security and other income maintenance programs are estimated to rise by over $1 billion. Additional increases totaling $897 million will provide for expanded public health and vocational rehabilitation services and for a buildup in efforts to combat poverty.

Health services and research.—The first session of the 89th Congress enacted 12 major health measures, including provision of better health care for the aged and for needy children, expansion of health-related professional schools and medical libraries, improved treatment of various illnesses, and increased efforts to combat air and water pollution. The Department of Health, Education, and Welfare is taking steps to organize and administer these and other health programs effectively.

Total payments to the public for health services, research, training, and related activities, including trust fund outlays, are estimated to increase by $3.6 billion over 1966 to a level of $6.1 billion in 1967.

Health services for the aged.—Public and private costs of medical services provided to the Nation's 19 million aged persons are estimated at $8 billion in 1967. Almost one-half of these costs will be met by the new health insurance programs and by medical assistance to the aged provided under public assistance.

HEALTH, LABOR, AND WELFARE

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1967
	1965 actual	1966 estimate	1967 estimate	
Administrative Budget Funds:				
Health services and research:				
Health services for the aged	$272	$390	$1,122	$1,132
Maternal and child health	114	174	215	234
National Institutes of Health	780	1,000	1,150	1,303
Hospital construction	203	215	240	314
Community health, except hospital construction	160	247	319	477
Environmental health and consumer protection	194	239	307	409
Other	159	216	242	258
Proposed legislation:				
Pollution abatement			24	74
Student loan guarantees			−21	−21
Other health proposals			23	41
Labor and manpower:				
Manpower development and training	230	279	282	400
Other	234	244	250	279
Economic opportunity programs:				
Community action programs	54	491	710	923
Job Corps	33	240	350	228
Work and training programs	71	377	415	450
Other	53	102	125	149
Public assistance (excluding medical care for the aged):				
Grants to States and other	2,827	3,288	3,364	3,511
Other welfare services:				
Vocational rehabilitation	137	215	314	329
Military service credits	14	122	122	122
School lunch, special milk, food stamp, and other	362	538	410	402
Subtotal, administrative budget	5,898	8,377	9,962	[1] 11,016
Trust Funds:				
Old-age, survivors, and disability insurance	17,460	20,787	21,819	23,223
Hospital and supplementary medical insurance		53	3,325	3,835
Civil service retirement and disability	1,438	1,615	1,791	2,851
Railroad retirement	1,185	1,240	1,274	1,584
Unemployment insurance	3,130	2,890	2,947	3,923
Other	−27	3	−47	12
Subtotal, trust funds	23,186	26,589	31,110	[1] 35,428
Intragovernmental transactions and other adjustments (deduct)	792	851	1,741	
Total	28,292	34,115	39,331	

[1] Compares with new obligational authority for 1965 and 1966, as follows:
Administrative budget funds: 1965, $7,456 million; 1966, $9,713 million.
Trust funds: 1965, $25,828 million; 1966, $28,000 million.

Outlays in 1967 from the hospital and supplementary medical insurance trust funds are estimated at $2.4 billion for the new hospital insurance program and $899 million for the supplementary medical insurance program, which is primarily for doctor bills.

Administrative budget expenditures of $833 million are estimated to be paid in 1967 to these trust funds, including: (1) $283 million to provide hospital insurance for the aged who are not covered under the social security or railroad retirement systems and (2) $550 million to match the $3-per-month premium payments being made by aged persons who will enroll voluntarily by April 1, 1966, in the supplementary medical insurance program.

Medical assistance grants will be made to the States to help about 860,000 aged persons meet the required premiums or costs not covered by the new insurance. However, these grants are estimated to decline by $75 million to a total of $289 million in 1967.

The two new insurance programs will pay State and community hospitals for care provided to the aged. Legislation will be proposed to permit these insurance programs to make similar payments to Federal hospitals for care provided to beneficiaries.

Maternal and child health.—Expenditures totaling $215 million will be made in 1967 by the Children's Bureau to support State and local maternal and child health programs in selected areas. These programs will be expanded by $41 million over 1966 principally to provide comprehensive medical diagnosis and treatment for expectant mothers, infants, and school-age children in families which cannot afford the cost of medical care.

In addition, some of the savings in the program for medical care for the needy aged will be used to increase and improve the extent and quality of medical care provided to other needy people—particularly children.

National Institutes of Health.—The national investment—both public and private—in health research was less than $500 million in 1957. Under the stimulus of the Federal Government, this amount will have grown to more than $2 billion by 1967. Federal support of health research is estimated to rise from 52% to 65% of the total national effort during this decade. In 1967, more than half of the Federal support will come from the National Institutes of Health—the principal Federal health research agency. Expenditures by NIH will total nearly $1.2 billion in 1967, $150 million more than in 1966. The budget totals also cover the possibility of providing initial funding if important new breakthroughs make feasible major advances such as the development of an artificial heart or a new vaccine.

Legislation enacted in 1965 established a major new program to improve techniques for the diagnosis and care of heart, cancer, stroke, and related diseases. Expenditures of $35 million are estimated in 1967 for this program, which will emphasize regional planning and coordination of medical resources, continuing education for doctors and other medical personnel, and the rapid dissemination of new knowledge and techniques.

New obligational authority for programs to combat mental illness will total $303 million in 1967, including $84 million to build and staff community mental health centers.

Community health.—The adequacy of medical care is largely determined by the manpower and facilities available to meet ever increasing demands. Since 1947 the Hill-Burton hospital construction program has assisted in providing 286,000 new hospital beds. The country is now faced with the necessity of modernizing and replacing many of its older hospitals, primarily in urban areas.

Accordingly, legislation is being proposed under which (1) States and local governments can develop communitywide plans for modernizing hospitals and (2) the hospitals would then become eligible for Federal assistance in repaying the construction costs.

In 1963, the Health Professions Educational Assistance Act authorized major new programs to increase facilities and provide loans to students so that additional medical manpower can be trained. Under legislation which will be proposed, the direct lending program for students will be converted to guaranteed loans at no disadvantage to the student.

Additional programs were authorized in 1965 to provide operating grants for health professions schools, special grants for curriculum improvement, and scholarships for needy students. Expenditures in 1967 are estimated to rise by $40 million over 1966 to insure continued progress toward the goal of increasing, between 1959 and 1975, the number of medical school graduates by 50% and dental school graduates by 100%. Support is also available for training additional nurses and graduate public health personnel.

To provide effective and economical medical services, highly trained professionals must be supported by many categories of assistants and technicians. Legislation is being proposed to expand the training of medical assistants and other health personnel.

Numerous grants are currently made to States, local governments, and nonprofit institutions to meet individual specified health problems. This segmented grant structure has complicated the effective operation and coordination of programs. It also hinders the efficient use of limited State and community health personnel and financial re-

sources. Legislation is being proposed to provide greater Federal, State, and local flexibility in carrying out federally supported programs.

Environmental health and consumer protection.—Increased urbanization and industrialization have resulted in a rapid buildup of pollutants in the environment. Expenditures to deal with these problems will increase by $92 million to $331 million in 1967.

This increase will allow acceleration of research on pollution and training of more manpower to deal with pollution problems. The attack on air and water pollution and the solid waste problem will be intensified under recently enacted legislation which also established a Water Pollution Control Administration.

A new program will be started in selected river basins to demonstrate methods for a broad attack on the water pollution problems of an entire basin. Water pollution from existing Federal installations will be reduced in accordance with the recent Executive Order 11258, and a similar directive governing air pollution is planned. Legislation will be proposed to (1) strengthen water pollution enforcement authority, including the registration of those responsible for discharging effluents into interstate and navigable streams, and (2) expand research, training, and control programs and demonstrate new techniques for waste treatment.

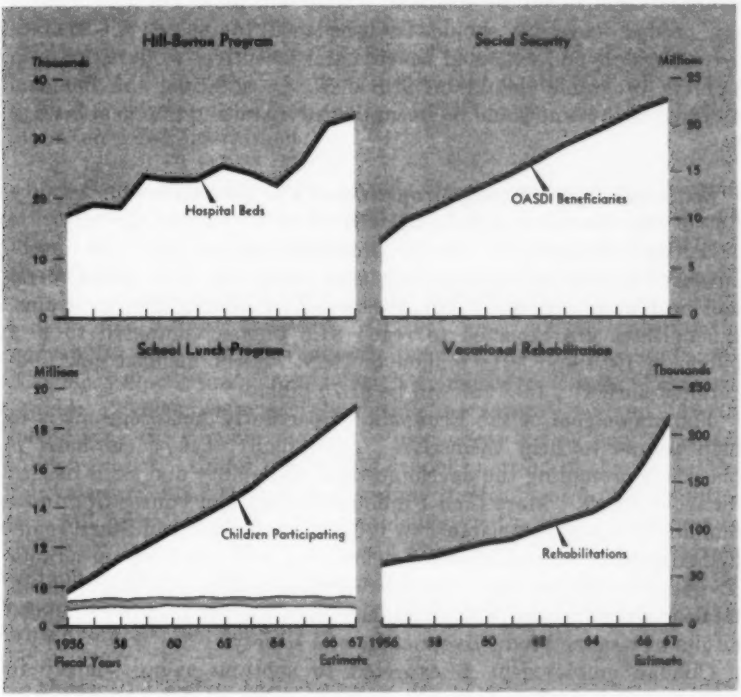
The Food and Drug Administration will provide greater surveillance of new drugs and food additives. Efforts to control the illegal flow of psychotoxic drugs will be doubled.

Labor and manpower.—Administrative budget expenditures in 1967 for labor and manpower programs are estimated at $531 million in 1967, $8 million more than in 1966. An estimated $2.9 billion is expected to be paid out through the unemployment trust fund for unemployment insurance benefits and administering the Federal-State employment security system. The Department of Labor budget anticipates over $14 million in savings due to management improvements and the elimination of low priority activities.

Under the Manpower Development and Training Act of 1962, about 370,000 unemployed workers have been enrolled in training, and over 70% of those completing training have been placed in jobs. In 1966 and 1967, this program is being redirected to concentrate on workers who have little or no skills. Two-thirds of the estimated 250,000 trainees in 1967 will be drawn from this group of workers, who generally are least able to take advantage of the job opportunities of our prospering economy.

Special attention will also be given to training for skills in particularly short supply. On-the-job training and combined job-classroom

Health, Labor, and Welfare – Program Trends



training will be increasingly used as a less expensive but highly effective training technique in imparting job skills. To date, 94% of the persons completing on-the-job training have obtained jobs.

A crucial element in alleviating poverty is identification of employment opportunities and the placement of workers in new jobs. Too often workers who have been unemployed for a long time or who are just entering the job market are not equipped with the knowledge to find employment. To strengthen job-finding and placement services, an additional $40 million is provided in 1967 for grants from the trust fund to State employment security agencies, bringing the total grants to $532 million. The increased funds will be used principally for (1) improved employment services for disadvantaged youth, particularly for operating the network of Youth Opportunity Centers in 139 major metropolitan areas; (2) increased services for the disadvantaged; and (3) expansion of the existing pilot survey to develop information on skill shortages in private industry.

Legislation to improve the unemployment insurance program is long overdue and should be enacted. More adequate regular benefits are needed, coverage should be broadened to include 4.6 million more workers, and extended benefits and incentives to participate in training programs should be provided. In addition, the financial basis of the system should be strengthened by raising the taxable wage base.

Economic opportunity programs.—The Economic Opportunity Act of 1964 began a new, concerted effort to combat poverty. It authorized 10 major new service programs and provided new mechanisms for coordinating planning and action at both the Federal and local levels. In fiscal 1967, the second full year of these programs, expenditures are expected to reach $1.6 billion, compared to $1.2 billion in 1966 and $211 million in 1965. Recommended new obligational authority for 1967 will be $1.75 billion.

The major goal of the Economic Opportunity Act programs is to help people to help themselves. Accordingly, heavy emphasis is placed on promoting the development of the ability and skills needed for self-support. More than 1 million children and youths from poor families will receive assistance in 1967 through the Head Start, remedial education, Neighborhood Youth Corps, and Job Corps programs. Programs to provide work experience and subprofessional employment, adult literacy training, and small business loans will help over 250,000 adults to become productive members of society.

Civilian employment is expected to continue rising sharply in calendar year 1966. This will provide increased job opportunities for the poor and make it easier to place the graduates of training and rehabilitation programs in jobs. However, this desirable development should not obscure the fact that even high employment will still leave millions of people in poverty.

Community action programs.—Federally aided community action agencies provide a focus for local initiative and comprehensive planning to weld together old and new programs to fight poverty. By 1967, such agencies will be operating communitywide programs in 900 cities and multicounty rural areas. The programs will utilize Federal, State, local, and private resources to provide health services, employment counseling and referral, literacy training, education, and other services in the areas and for the groups most in need of such assistance.

Certain nationwide high-priority programs are also underway, the most important of which is Project Head Start. Building on its success last summer, full academic year preschool classes will be funded in fiscal year 1967 for 210,000 children and summer projects

will be provided for 500,000. Over 90,000 teachers and teacher aides, as well as 50,000 neighborhood residents, will cooperate in giving these children the special attention they need.

Other programs are being supported to expand legal services for the poor, to help prepare culturally deprived youths for college, and to enable elderly retired persons to "adopt" young children who are in understaffed institutions.

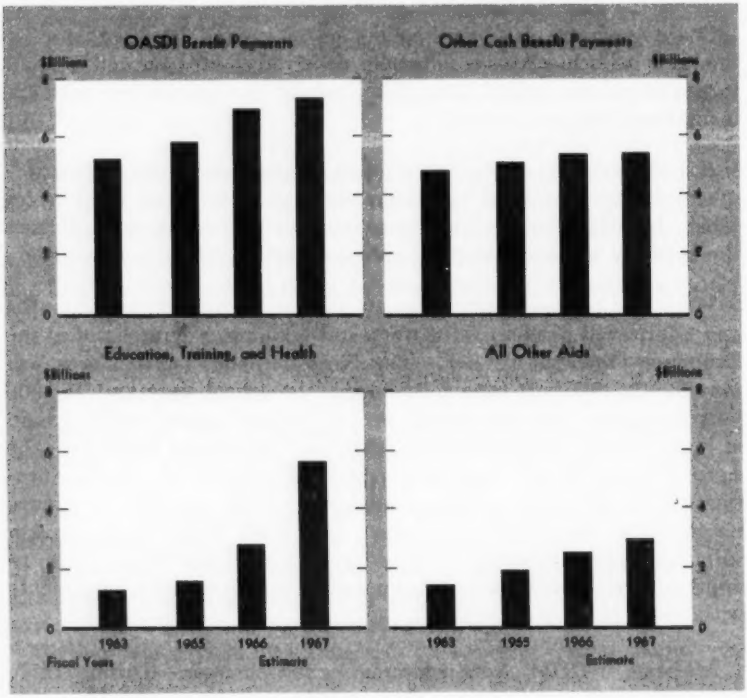
Job Corps.—The Job Corps offers a unique opportunity to out-of-school youths who need vocational training to find and keep useful jobs. In 1967, 25 urban training centers and 99 rural centers will have the capacity to handle 39,000 young men and 6,000 young women.

Work and training programs.—In 1967, over 400,000 poor youths and adults will participate in work and training programs under the Economic Opportunity Act. The Neighborhood Youth Corps will provide 125,000 part-time jobs during the school year and 165,000 jobs during the summer months to help needy young people remain in high school. Under the "out-of-school" portion of the Corps, the equivalent of 128,000 work and training positions of 6 months duration will be provided to help unemployed youths gain the experience necessary to find permanent jobs. The Work Experience program will offer work, training, basic education, and related services to approximately 105,000 current or potential public assistance recipients with about 300,000 dependents.

Migrants, VISTA, basic education, small business.—During 1967, $38 million—$13 million more than in 1966—will be provided for education, training, day care, sanitation, and housing for many of the 400,000 migrant farm workers in the United States. In addition, 4,500 VISTA's (Volunteers in Service to America) will be in training or in service in 350 projects by the end of 1967. Basic education will be provided for 75,000 adults through courses funded by $30 million in grants to States for adult literacy. An estimated 15,500 low-income rural families will receive loans to finance farm improvements or small nonfarm businesses. Small business loans accompanied by management training to businessmen will be provided through 70 Small Business Development Centers.

Total assistance for the poor.—The Federal Government provides substantial assistance to the 34 million people who live in poverty, in addition to the economic opportunity programs. Other activities contributing to the effort to combat poverty include social insurance and public welfare, education, medical benefits, retraining, regional

Federal Aid to the Poor



economic development, housing and community facilities, school lunch, and other agricultural programs.

In 1967, Federal expenditures for benefits and services to the poor, including those under the Economic Opportunity Act, will total an estimated $21 billion, nearly $4 billion more than in 1966. About three-fifths of the assistance—$12.7 billion—represents cash payments to low-income families and individuals through social insurance, public welfare, and other benefit programs. Other major items are $2.8 billion for medical benefits for the young and aged poor, $2.8 billion for educational services through programs such as those provided by the Elementary and Secondary Education Act of 1965, and $0.7 billion for food and other agricultural assistance.

Social security and public welfare.—The 1965 Amendments to the Social Security Act increased the cash benefits provided under the system and extended its coverage. Now practically all workers

and their families are provided protection against the loss of earnings due to death, total disability, or retirement either through the basic social security system or through the special systems for railroad and Federal workers.

Expenditures of $24.9 billion are estimated for 1967 from the trust funds for old-age, survivors, and disability insurance; for railroad retirement; and for retirement programs for Federal employees. These expenditures reflect both the continued growth in numbers of beneficiaries of these programs and increases in benefits. The increase of $1.2 billion estimated from 1966 to 1967 is smaller than would be expected, because nonrecurring payments of $830 million were made in September 1965 to cover the 7% increase in social security benefits retroactive to January 1, 1965.

The protection provided by these systems is financed by payroll contributions shared by employers, employees, and also paid by the self-employed. Receipts of the retirement and disability trust funds in 1967 are estimated at $27.7 billion, an increase of $4.5 billion over 1966. Most of this rise is in the social security system, reflecting (1) the full year's effect of the January 1, 1966, increase in the wage base from $4,800 to $6,600 and in the combined payroll tax rate from 7.25% to 8.4%, and (2) a further increase in the combined payroll tax to 8.8%, scheduled for January 1, 1967. These new rates also cover the new hospital insurance program.

To help meet rising workloads more efficiently, the Social Security Administration will further extend the use of automatic data processing in its recordkeeping and computational operations in fiscal year 1967. About $12 million will be saved by procedures which will automatically recompute individual benefit amounts based on changes in earnings after retirement.

Federal payments are made each year to the railroad retirement system to liquidate the Federal Government's obligation to that system for credits for past military service. This budget includes expenditures of $17 million in 1967 for the third of 10 installments and $105 million as the second of 50 installments to liquidate a similar obligation to the social security system.

Public assistance.—As indicated earlier, Federal grants for medical assistance for the aged are expected to decline in 1967, reflecting the impact of the new health insurance programs. Similarly, greater benefit payments through our social security system will continue to reduce the number of aged persons requiring help from the Federal-State public assistance program—even though Federal legislation enacted in 1965 will extend assistance to some 18,000 aged in mental or tuberculosis institutions. The resulting savings will offset some-

what the increase needed to provide higher monthly cash assistance payments and more adequate medical care for other needy people—particularly 4.7 million in broken families.

An economy with abundant job opportunity enhances the prospects for rehabilitating and successfully finding productive employment for some individuals on the public assistance rolls. Accordingly, legislation is being proposed to improve the role of programs giving assistance to unemployed parents of needy children by providing work experience, services, and training to equip them for regular employment.

New obligational authority of $3.4 billion is recommended for 1967 for Federal grants—excluding grants for medical assistance for the aged. This is an increase of $222 million over 1966. When matched with State and local funds, $5.7 billion will be available in 1967 to provide necessary financial and medical assistance, and social services to 7.5 million of our poorest citizens. Federal expenditures, however, will rise by only $65 million to $3.3 billion because of a change in the scheduling of payments to the States.

This Nation is once again extending its welcome to refugees from Cuba who are fleeing oppression and tyranny. Federal expenditures to help resettle and absorb these refugees are expected to rise by $8 million to $46 million as the number granted asylum since October 1965 rises from 36,000 by July 1966 to 88,000 by July 1967.

Other welfare services.—Under the stimulus of broadened legislation and increased Federal matching, 215,000 individuals will be restored to gainful employment in 1967 by the Federal-State vocational rehabilitation program, 25% more than in 1966. Expenditures are estimated to rise from $215 million in 1966 to $314 million in 1967. Increased emphasis will be placed on restoring to economic self-sufficiency the mentally retarded, the severely disabled, and other handicapped individuals who are now supported by public assistance.

In 1965, legislation created a new Aging Administration in the Department of Health, Education, and Welfare. Expenditures by this new unit are expected to rise from $5 million in 1966 to $9 million in 1967 as increased Federal grants help the States strengthen programs for the aged.

With the new laws enacted last year, the total of all benefits and services provided through Government budget and trust funds for persons over age 65 is estimated at $26 billion in 1967, almost $4 billion more than in 1966.

The school lunch program is expected to reach 19 million school children in 1967, 1 million more than in 1966. A substantial increase in funds will be made available to provide more lunches for schools with a preponderance of low-income families. The special milk

program, which permits schools to sell milk at reduced prices, will be directed primarily to helping needy children in 1967, thereby permitting a reduction of $52 million in expenditures. The food stamp program will continue to expand as more low-income families take advantage of the opportunity to improve their diets. Legislation will be proposed to improve nutrition for needy children.

EDUCATION

The maximum development of each citizen's capabilities is important both for individual fulfillment and for the general well-being of society. Improvement of our educational system is a vital element in our Nation's continued economic expansion and social and cultural advancement. No instrument is more powerful than education in striking at the roots of poverty.

The Federal Government's contribution to education was given great impetus by the 89th Congress with the passage of the Elementary and Secondary Education Act of 1965 and the Higher Education Act of 1965. The programs they authorize will greatly strengthen and improve our educational system and increase educational opportunities, particularly for disadvantaged children and for those whose higher educational opportunities are limited by finances.

The 1967 budget provides increased funds to meet the added Federal responsibilities for education. Expenditures in 1967 are estimated at $2.8 billion, an increase of 23% over 1966 when the new programs are just getting underway. Legislation is being proposed to make greater use of private credit in loan programs and to achieve budgetary savings through program modifications.

Assistance for elementary and secondary education.—Expenditures for all elementary and secondary education activities are estimated to rise from $730 million in 1966 to $1.5 billion in 1967. This increase reflects mainly the second year cost of programs under the Elementary and Secondary Education Act of 1965.

Title I of this act authorizes financial assistance for special educational programs in areas having high concentrations of children from families with incomes of $2,000 or less. Emphasis is being placed on enriching regular school instruction and augmenting it by evening and summer activities, special remedial classes, guidance and counseling, and other services needed to overcome learning handicaps. Title I activities are estimated to require expenditures of $970 million in 1967, an increase of $740 million over 1966.

This budget also provides funds for purchase of library books, textbooks, and other instructional resources under title II of the 1965

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EDUCATION

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1967
	1965 actual	1966 estimate	1967 estimate	
Administrative Budget Funds:				
Assistance for elementary and secondary education:				
Education of the disadvantaged	--------	$230	$970	$1,070
Supplementary centers, school books, and strengthening State education agencies	--------	65	230	272
School equipment, guidance, and testing	$68	81	79	88
Assistance to schools in federally impacted areas	350	354	267	206
Assistance for higher education:				
Aid for undergraduate and graduate students:				
Present programs	158	283	313	431
Proposed legislation	--------	--------	−34	−34
Academic facility loans and grants	4	147	396	723
College housing loans	221	240	289	300
Proposed legislation for pool participation sales of academic facility and college housing loans	--------	--------	−908	−300
Other aids to institutions	30	41	83	104
Assistance to science education and basic research:				
National Science Foundation:				
Basic research and specialized research facilities	156	184	221	279
Grants for institutional science programs	32	41	60	85
Science education	101	115	118	133
Other science activities	20	25	26	28
Other aids to education:				
Vocational education	132	173	205	240
National Teacher Corps and teacher fellowships	--------	1	47	74
Indian education services	99	106	113	115
Library of Congress and Smithsonian Institution	52	67	73	66
Grants for public libraries	26	35	51	58
Educational research and development	17	45	87	110
Other	79	85	148	177
Subtotal, administrative budget	1,544	2,318	2,834	[1] 4,225
Trust Funds	2	3	4	[1] 4
Intragovernmental transactions and other adjustments (deduct)	49	58	64	
Total	1,497	2,264	2,774	

[1] Compares with new obligational authority for 1965 and 1966 as follows:
Administrative budget funds: 1965, $2,417 million; 1966, $4,278 million.
Trust funds: 1965, $2 million; 1966, $3 million.

act and for increased grants to State educational agencies to expand their planning, statistical, and related services. Another major effort, under title III of the act, is the support of supplementary educational centers and services. Their purpose is to encourage widespread use of innovative instructional techniques, programs, and materials for all school children in the Nation's classrooms. In 1967, an estimated $230 million will be spent on these programs compared with $65 million in 1966.

Legislation will be recommended to extend the Elementary and Secondary Education Act beyond 1966, to raise the low-income criterion for special assistance from $2,000 to $3,000 for fiscal year 1968, and to revise certain provisions, including elimination of the incentive grants.

Expenditures in 1967 for schools in areas affected by Federal activities will decrease by $87 million from 1966. The decline results from a proposed reduction of aid based on (1) recent studies made at the request of the Congress, and (2) the impact of the large new Federal programs which meet many of the same needs. This special form of assistance should be periodically adjusted to reflect the growth in assistance under the Elementary and Secondary Education Act of 1965.

Assistance for higher education.—Programs for assistance to higher education will be considerably expanded in 1967. However, net budgetary outlays will be substantially lower because of the substitution of private for public credit in the loan programs for college housing and academic facilities and for the student loan program under the National Defense Education Act. Thus, expenditures for higher education programs are estimated to decrease by $572 million to $140 million.

The Higher Education Act of 1965 greatly augmented financial support for academically qualified students in need of financial assistance. Under this act, more than 1 million students will be assisted in 1967, three times as many as in 1965. Scholarships will be provided to 220,000 students in 1967, an increase of 105,000; about 210,000 students are expected to be helped through work-study programs, a 60,000 increase; and 775,000 students will receive federally subsidized guaranteed loans, a 475,000 increase.

Legislation will be proposed to shift the National Defense Education Act student loan program to the newly authorized subsidized loan guarantee program, retaining the special assistance for students who subsequently teach. As a result, NDEA student loan expendi-

tures will decline by $149 million to a level of $30 million in 1967, although the number of students receiving subsidized loans will increase.

A program providing grants and loans to aid colleges in construction of classrooms, libraries, and laboratories was begun in 1965. This program has expanded rapidly and is estimated to involve expenditures of $396 million in 1967, compared with $147 million in 1966. An estimated 1,300 colleges will receive help in 1967, double the number in 1965.

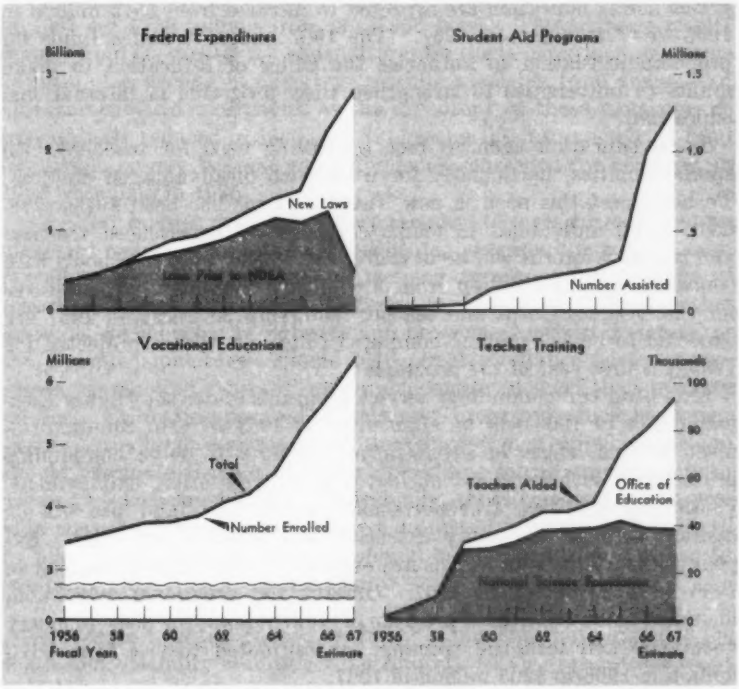
The college housing loan program administered by the Department of Housing and Urban Development will continue to help provide new dormitories needed for the increasing student population. The present rate of $300 million in new loan reservations a year is expected to continue in 1967. However, net expenditures under existing legislation are estimated to increase by $49 million to a level of $289 million in 1967 as fewer loans are purchased by private investors at the new lower 3% interest rate provided by the Housing and Urban Development Act of 1965.

Legislation is being proposed to increase private financing of both college housing loans and academic facility loans through sales of participations in pools of loans similar to those successfully employed by other major Government loan programs. Because most of the loans have been made at interest rates below current market levels, the legislation would authorize supplementary funds where necessary to assure payments on certificates of participation which are sold in pools of such mortgages. In 1967, the budgetary effect of this legislation is to reduce net expenditures for college housing loans by $820 million and for academic facility loans by $88 million. Legislation is also being proposed to cancel $300 million of new obligational authority otherwise becoming available in 1967 for college housing loans.

Expenditures for other aids to higher educational institutions are estimated at $83 million for 1967, $42 million more than in 1966. These aids include new programs authorized in the Higher Education Act of 1965 to enlarge college libraries and improve smaller colleges which lack adequate financial resources and qualified personnel. Assistance to language and area centers will also be continued.

Assistance to science education and basic research.—The National Science Foundation helps develop the Nation's scientific capability by supporting science education and basic research. For

Education – Program Trends



1967, expenditures by the Foundation are estimated at $425 million, an increase of $60 million over the 1966 level. Nearly two-thirds of this increase is for support of basic research, primarily in universities, reflecting increases in faculty and graduate student enrollments in the sciences and engineering. In addition to contributing to the advancement of knowledge, academic research is an essential element in the advanced training of scientists and engineers.

Greater emphasis is being placed on broadening the base of science training and research at colleges and universities throughout the country. Expenditures will increase for grants to accelerate the development of selected academic institutions into centers of scientific excellence. Assistance will also be provided to strengthen individual science departments—both graduate and undergraduate—in a wider range of institutions having a potential for significant improvement.

Other aids to education.—Expenditures for vocational education, public library assistance, Indian education services, and other programs aiding education are expected to increase from $512 million in 1966 to $723 million in 1967. The 1967 budget includes funds for proposed legislation to authorize the Office of Education to make grants to universities to strengthen their programs in international education.

Local education agencies face a pressing need for teachers with special abilities, particularly for work with disadvantaged children. To help meet this need, a new Teacher Corps has been authorized. Over 3,700 individuals in teams composed of experienced teachers and teaching interns will be available in 1967 to serve in schools with concentrations of children from low-income families. Expenditures for the Teacher Corps and teacher fellowship programs in 1967 are expected to be $47 million, compared to the $1 million projected for 1966, the first year of the programs.

Extension and community service programs under the Higher Education Act of 1965 will be augmented in 1967 to help communities meet the challenges of urbanization. Efforts to solve community problems in such areas as housing, poverty, recreation, employment, youth opportunities, transportation, health, and land use will be assisted through university extension and research activities. Expenditures on these programs are expected to rise from $3 million in 1966 to $16 million in 1967. Outlays for vocational education, including a new subsidized program of student loans for post-secondary vocational and technical training, are estimated to rise from $173 million in 1966 to $205 million in 1967.

Research and innovation in education have been hampered by lack of funds. To encourage action, expenditures for educational research and demonstration programs will be increased from $45 million in 1966 to $87 million in 1967. Support will be provided for 4 additional regional laboratories to speed the application of new instructional techniques and materials, bringing the total to 12 in 1967. Funds will be oriented to specific critical areas in education such as the needs of the disadvantaged.

The National Foundation on the Arts and the Humanities, created by the Congress in 1965, will spend over $8 million in 1967 compared with $2 million in 1966.

Expenditures are also estimated to increase for other educational activities, including training of teachers for the handicapped, training of teachers and administrators in meeting problems caused by desegregation of schools, improvement of public library services, and continued strengthening of the Office of Education, particularly in its field offices.

VETERANS BENEFITS AND SERVICES

Payments to the public for veterans programs are estimated to rise in 1967 by $738 million from the 1966 level. This increase results mainly from (1) greater net expenditures for the housing loan programs because of a decline in offsetting receipts available from the sale of Government-held mortgages, as the inventory of these mortgages is substantially reduced in 1966, and (2) greater life insurance trust fund payments, largely because some dividends scheduled for payment in 1966 were paid in 1965.

The 1967 budget proposals reflect the need to meet current requirements of veterans and their dependents. Legislation will be supported to provide education and training assistance for veterans of recent service to help ease readjustment to civilian life. On the other hand, as we continue to improve and broaden programs designed for the general populace we should place greater reliance on these programs for meeting veterans' needs not connected with their military service. Critical reappraisal of veterans' programs which have persisted virtually unchanged since their inception over 40 years ago should eliminate those concepts which are no longer consistent with current medical knowledge. Additionally, those concepts which provide special advantages for favored groups of veterans not enjoyed by all veterans similarly situated should be eliminated or modified to equitably meet current requirements.

Service-connected compensation.—Compensation payments for death and disability resulting from military service are estimated at $2.3 billion in 1967, about the same as in the current year. A slightly declining caseload will be nearly offset by higher average payments per case, in line with increased compensation rates provided by the 89th Congress and with the general advance in veterans' age and disabilities. Approximately 2,320,000 disabled veterans or their survivors will receive payments in 1967, about 40,000 less than this year. The average annual payment in 1967 is estimated to be $937 to disabled veterans and $1,319 to survivors.

Non-service-connected pensions.—In 1967, pensions for disability and death not connected with military service are estimated at $2.0 billion, a decrease of $23 million from the current year. An increase in the number of World War II and Korean conflict veterans receiving pensions will be more than offset by the decreasing number of veterans of World War I and earlier wars, while the $1,064 average payment per case will remain unchanged. The number of veterans' survivors receiving pensions is estimated to rise by 22,550 to a total of 980,085, with the average payment for these cases also remaining level at $739.

VETERANS BENEFITS AND SERVICES

[Fiscal years. In millions]

Program or agency	Payments to the public			Recommended new obligational authority for 1967
	1965 actual	1966 estimate	1967 estimate	
Administrative Budget Funds:				
Service-connected compensation	$2,176	$2,311	$2,307	$2,309
Non-service-connected pensions	1,864	2,001	1,978	1,983
Readjustment benefits:				
Education and training:				
Present programs	43	37	36	36
Proposed legislation			90	100
Direct housing loans	−138	−709	−210	
Housing loan guarantees	38	−147	−86	
Other	6	6	6	6
Hospitals and medical care:				
Medical care and hospital services	1,138	1,202	1,245	1,265
Construction of hospital and nursing home facilities	81	84	74	56
Medical administration, research, and other	52	57	57	58
Other veterans benefits and services:				
Insurance and servicemen's indemnities	−6	−17	−34	4
Special death gratuity		40		
Burial and other allowances	69	78	80	82
Veterans Administration general operating expenses and other	171	179	178	177
Subtotal, administrative budget	5,495	5,122	5,721	[1] 6,077
Trust Funds:				
National service life insurance	545	479	603	678
U.S. Government life insurance	71	63	68	45
Other	8	12	10	13
Subtotal, trust funds	624	554	682	[1] 735
Intragovernmental transactions and other adjustments (deduct)	38	34	22	
Total	6,080	5,642	6,380	

[1] Compares with new obligational authority for 1965 and 1966, as follows:
Administrative budget funds: 1965, $5,810 million; 1966, $6,018 million.
Trust funds: 1965, $719 million; 1966, $730 million.

Readjustment benefits.—In view of the increasing number of young Americans currently being exposed to the uncertainties and special hazards of military service, provision should be made for educational and training assistance to help veterans in readjusting to civilian life. Such assistance should build upon the various educa-

tional programs which are now available to all our citizens, but should go beyond these programs where necessary to meet the special needs of veterans. Due recognition should be given to the problems of the military services in encouraging the enlistment and retention of able service personnel. Enactment of legislation for this purpose is estimated to result in expenditures of $90 million in 1967.

The Veterans Administration guarantees housing loans for eligible veterans and makes direct housing loans to veterans in rural areas and in relatively small communities where private credit is not generally available. In 1967, collections on outstanding loans are expected to exceed outlays for new loans by $296 million, largely as a result of continuing efforts to encourage private credit participation in veterans housing programs.

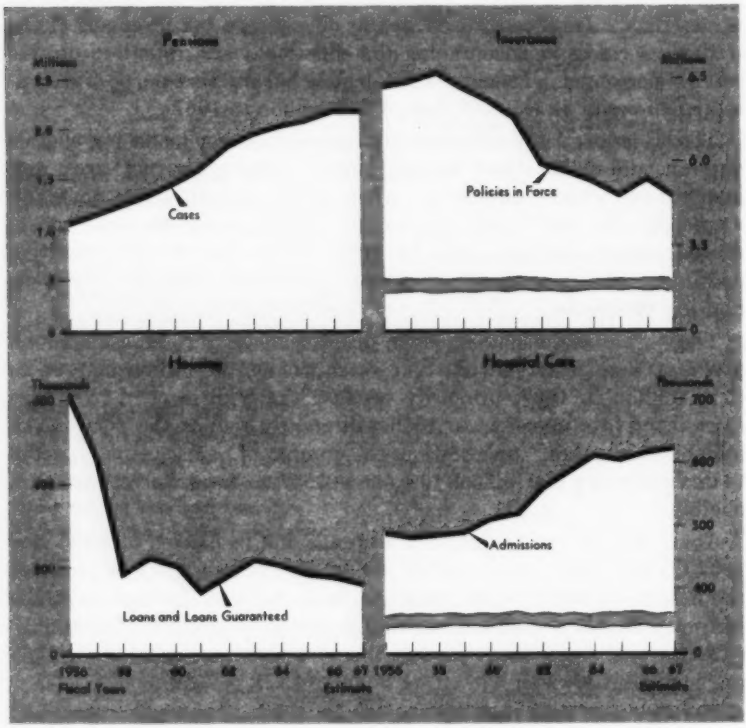
The excess of collections over disbursements for the direct loan program alone is estimated to decrease from $709 million in 1966 to $210 million in 1967, primarily because the high level of mortgage sales to private investors in 1966 will greatly reduce the portfolio of saleable mortgages. In addition, the number of new loans is expected to decline from 6,000 in 1966 to 4,500 in 1967, as fewer veterans remain eligible.

About $1.1 billion of unobligated funds will be carried forward into 1967 for the direct loan program, an amount considerably in excess of the new loans expected to be made in that year. Accordingly, the budget includes a proposal to cancel the $100 million of new obligational authority which would otherwise become available for 1967 under present law.

The excess of receipts over outlays for the loan guarantee program is expected to decline from $147 million in 1966 to $86 million in 1967. As in the direct loan program, the main reason for the decrease is the smaller mortgage portfolio resulting from the large volume of mortgage sales in 1966. Foreclosures of 22,200 mortgages financed with guaranteed loans are expected in 1967, slightly fewer than in 1966. In addition, the number of home mortgages guaranteed will decline by 7% as an increasing number of World War II and Korean veterans become ineligible for home loan guarantees and as veterans increasingly take advantage of mortgage insurance by the Federal Housing Administration made available on special terms in the Housing and Urban Development Act of 1965.

Hospitals and medical care.—Expenditures for medical care of veterans are estimated at $1.4 billion in 1967. This amount—which covers medical services, administration, medical research, and construction of new medical facilities—is $33 million higher than the estimate for 1966.

Veterans Benefits and Services – Program Trends



Services, research, and administration.—The Veterans Administration's medical program is established to provide needed care to all veterans with service-connected disabilities. To the extent that available facilities and staff are not required for these veterans, VA hospital care is provided for veterans with non-service-connected disabilities who are unable to pay for care in other hospitals. This program is operated largely through the nearly 200 VA hospitals and clinics across the country.

Improvement in the quality of medical care for veterans has been a continuing goal and the 1967 budget provides for an increase of $43 million in expenditures from the amount being spent in 1966. Over $21 million of this increase is to provide for new medical services, correct staffing deficiencies, and expand the research program. Five new and replacement hospitals are to be activated in 1967 at Miami and Gainesville, Fla.; Memphis, Tenn.; Oteen, N.C.; and Temple, Tex., as part of the continuing program of replacing outmoded medical

facilities with modern units appropriately designed to allow high quality medical care to be provided.

Approximately 138,700 veterans per day will be cared for in VA, contract, or State hospitals, domiciliaries, and nursing homes in 1967. This is almost 1,900 more than in 1966. An estimated 6.3 million outpatient visits will be made to VA clinics or to private physicians and dentists at Federal expense.

Hospital construction.—An estimated $74 million will be spent in 1967 for hospital construction. This will be the seventh year of VA's 15-year $1.2 billion program for modernizing the veterans hospital system. Approximately $482 million has been appropriated for this program since 1961. To carry it forward in 1967, new obligational authority of $52 million is requested, including $3 million to provide for construction and planning of new medical research facilities. In addition, $4 million is requested for the grant program authorized in 1965 to assist States to build nursing home facilities in conjunction with their soldiers' homes.

Construction will be started on a new 720-bed hospital at Tampa, Fla., and a 480-bed replacement unit for the hospital at Northport, N.Y. Planning for several additional hospital expansions, partial replacements, and modernization projects will be initiated in 1967.

Veterans life insurance trust funds.—The national service and U.S. Government life insurance trust funds finance about 5 million life insurance policies, primarily for veterans of World Wars I and II. Receipts are chiefly from premiums and interest on investments; expenditures are mainly for death and disability claims and dividends. The expenditures of these trust funds are estimated to increase by $129 million in fiscal year 1967, mainly because half of the total regular dividend payments due in 1966 were disbursed in January 1965.

Other veterans benefits and services.—Insurance and indemnity expenditures from administrative budget funds are estimated to decline in 1967 because (1) the scheduled 10-year payments for the servicemen's indemnity program are nearly completed, and (2) premiums, principally for special term insurance, will exceed benefit payments and administrative costs.

A new servicemen's group life insurance program enacted by the 89th Congress provides for each serviceman on active duty a commercially underwritten insurance coverage of up to $10,000. The net cost to the Federal Government of this program in 1967 is estimated at $6 million. For survivors not covered by the new life

insurance program, a special gratuity was provided, resulting in a nonrecurring expenditure of $40 million in 1966.

The costs of general administrative operations of the VA will continue to decline as a result of reductions in workload, recent reorganization of field installations, continuing improvements in productivity, and continued efforts to improve automatic data processing.

INTEREST

Interest payments on the public debt will rise substantially both in fiscal year 1966 and in fiscal year 1967. These increases result primarily from the higher cost of refinancing the large volume of short-term public debt at present market rates of interest. The anticipated increase in the average debt outstanding during the year will also contribute to the higher level of payments.

INTEREST

[Fiscal years. In millions]

Item	Payments to the public			Recommended new obligational authority for 1967
	1965 actual	1966 estimate	1967 estimate	
Administrative Budget Funds:				
Interest on public debt	$11,346	$12,000	$12,750	$12,750
Interest on refunds of receipts	77	91	91	91
Interest on uninvested funds	12	12	13	13
Subtotal, administrative budget	11,435	12,104	12,854	12,854
Intragovernmental transactions and other adjustments (deduct):				
Interest paid to trust funds and Government agencies	2,006	2,088	2,254	
Excess of interest accrued over interest paid	825	711	448	
Total	8,605	9,304	10,152	

Payments to the public for interest in 1967 will be substantially below estimated administrative budget expenditures for two main reasons: (1) interest payments of $2.3 billion received by Federal trust funds and agencies from their investments in U.S. Government securities are included in administrative budget expenditures but not in cash payments to the public, since they are transactions within the Government, and (2) accruals of interest primarily on savings bonds—included in administrative budget expenditures—are estimated to exceed by $448 million the actual interest payments made to bondholders during 1967.

GENERAL GOVERNMENT

Outlays in 1967 for the legislative and judicial functions of the Federal Government and for the general administrative, fiscal, and law enforcement activities of the executive branch will total an estimated $2.5 billion, $109 million more than in 1966. Most of the increase will be used to improve further our tax collection system, provide more efficient Federal office space and facilities, and strengthen law enforcement activities.

Legislative and judicial functions.—Expenditures for the legislative functions of the Government are expected to total $162 million in 1967 compared with $166 million in 1966. An increase of $10 million is estimated for the judicial functions in 1967, primarily to pay the legal fees of indigent defendants in accordance with the Criminal Justice Act of 1964.

Central fiscal operations.—An expenditure increase of $23 million in 1967 will allow the Internal Revenue Service to maintain the same audit coverage as in 1966 for a larger number of taxpayers. The Service will also complete the installation of the master-file system for taxpayer information on a nationwide basis. This final step should add about $50 million annually to Federal revenue collections.

General property and records management.—The General Services Administration is continuing to replace old, inefficient, and high-cost leased space with more modern and efficient facilities for Government operations throughout the United States. New obligational authority of $183 million is requested for 1967 for the acquisition of sites, and the planning and construction of new buildings—$30 million more than was enacted for 1966. Expenditures will rise to $188 million in 1967, $8 million more than in 1966, as progress is made on construction financed in prior years.

Funds have been included in the budget to start the work authorized by Public Law 89–306, to improve the efficiency and lower the costs of procurement, maintenance, and use of automatic data-processing equipment by Federal agencies. Allowance has been made in the 1967 budget totals for the establishment of a revolving fund for these activities, with funds to be requested after completion of the necessary studies.

Central personnel management.—Expenditures of the Civil Service Commission are estimated at $128 million in 1967, an increase of $4 million over 1966. The Commission is establishing interagency examining boards to provide more efficient, effective, and

GENERAL GOVERNMENT

[Fiscal years. In millions]

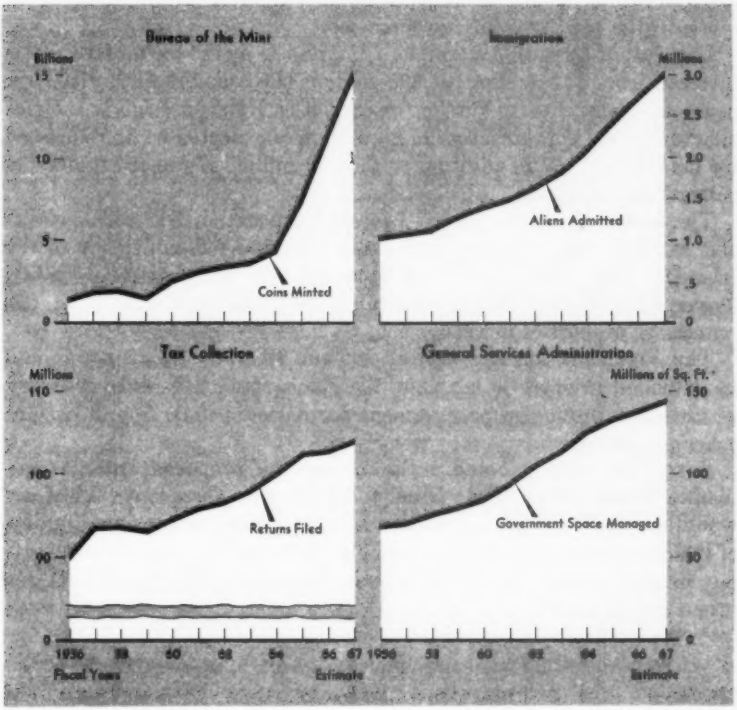
Program or agency	Payments to the public			Recommended new obligational authority for 1967
	1965 actual	1966 estimate	1967 estimate	
Administrative Budget Funds:				
Legislative functions	$142	$166	$162	$156
Judicial functions	76	84	94	94
Executive direction and management	23	27	28	28
Central fiscal operations:				
Internal Revenue Service	587	606	629	656
Other	238	266	289	273
General property and records management:				
General Services Administration:				
Public Buildings Service:				
Construction, sites, and planning	165	180	188	183
Operation, maintenance, and other	340	330	331	328
Other	101	70	94	97
Central Intelligence Agency building	*	1	1	----------
Central personnel management:				
Department of Labor	57	50	45	49
Civil Service Commission	117	124	128	128
Protective services and alien control:				
Department of Justice	351	377	398	397
Other	15	21	25	25
Other general government:				
Territories and possessions	115	137	157	135
Treasury—claims	74	34	9	9
Government Printing Office (Legislative branch)	*	−1	12	53
Alaska grants and other	1	6	1	1
Subtotal, administrative budget	2,402	2,476	2,591	[1] 2,612
Trust Funds	21	23	24	[1] 23
Intragovernmental transactions and other adjustments (deduct)	83	85	92	
Total	2,341	2,414	2,523	

* Less than one-half million dollars.
[1] Compares with new obligational authority for 1965 and 1966, as follows:
Administrative budget funds: 1965, $2,501 million; 1966, $2,622 million.
Trust funds: 1965, $24 million; 1966, $23 million.

convenient service to persons seeking Federal employment. It is also expanding its efforts to recruit and develop executive talent throughout the Federal Service. In cooperation with other agencies, the Commission will also develop common job standards and wage policies to insure that equitable and comparable wages are paid to all blue collar employees in a local area.

Protective services and alien control.—Expenditures of the Department of Justice are estimated to increase by $21 million in 1967, primarily for an intensification of efforts to combat rising crime rates. A substantial expansion is proposed in grants to States, local agencies, and nonprofit groups for training, research, and developmental programs in law enforcement, corrections, and the administration of justice. Legislation is being proposed to authorize larger appropriations to permit an expansion of these activities. Legislation is also being proposed to provide new programs of financial assistance for the education of present and prospective law enforcement officers.

General Government – Program Trends



Civil Rights.—Substantial increases have been provided throughout the executive branch for programs to secure the civil rights of individuals and minority groups. Expenditures to administer these programs are estimated at $54 million in 1967, an increase of $5

million over 1966 and $25 million over 1965. The most significant increases are: (1) for activities of all Federal agencies under title VI of the Civil Rights Act of 1964 and other Federal directives which seek to assure non-discrimination by organizations receiving Federal financial assistance and by Federal contractors; (2) for the Equal Employment Opportunity Commission, to handle a larger workload and to initiate a new program of grants to assist the States in strengthening their equal employment programs; and (3) for the Community Relations Service, expanding its program by more than 50%. Proposals will be made to the Congress to strengthen further the guarantee of equal protection to all under the law.

Other general government.—The Government Printing Office, an agency of the legislative branch of the Government, is requesting appropriations of $47 million to build a modern plant designed to increase the efficiency of its operation.

Legislation already before the Congress is again recommended to increase from $12 million to $25 million the amount authorized for economic assistance to further develop the Ryukyu Islands. Upon enactment, an appropriation of $5 million is expected to be requested for fiscal year 1967 in addition to the $12 million requested under the current authorization.

The activities of the Virgin Islands Corporation will cease at the end of fiscal year 1966, reflecting the increased self-sufficiency of the Islands. The Corporation sold its water and power facilities to the Government of the Virgin Islands in 1965 and will dispose of the remaining properties in 1966.

The Renegotiation Act expires on June 30, 1966. This act should be extended in order to continue the Renegotiation Board's recovery of excessive profits on procurement for national defense and certain other programs.

Favorable action should be taken on the proposed Intergovernmental Cooperation Act, already before the Congress. This act would improve the administration and facilitate congressional review of Federal grants-in-aid. It would also provide a means for coordinating intergovernmental policy in the administration of grants for urban development.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)

[Note.—This table shows expenditures by agency for each subfunction. The accounts which make up the total for each agency are identified by the functional code numbers shown in the analysis of new obligational authority and expenditures (pp. 168 to 375)]

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS						
050 NATIONAL DEFENSE						
051 Department of Defense—Military:						
Military personnel	14,656	16,981	18,676	14,771	16,600	18,150
Operation and maintenance	12,603	14,911	15,700	12,349	14,160	14,980
Procurement	13,836	19,881	16,408	11,839	13,880	15,970
Research, development, test, and evaluation	6,483	6,791	6,905	6,236	6,370	6,400
Military construction	1,049	2,500	593	1,007	1,140	1,120
Family housing	631	666	522	619	650	545
Civil defense	105	107	133	93	100	100
Revolving and management funds				−741	25	−115
Total 051	49,363	61,838	58,938	46,173	52,925	57,150
057 Military assistance:						
Funds appropriated to the President	1,130	1,470	917	1,229	1,275	1,150
058 Atomic energy:						
Atomic Energy Commission	2,625	2,366	2,263	2,625	2,390	2,300
059 Defense-related activities:						
Executive Office of the President	6	4	5	5	6	6
Funds appropriated to the President				60	−123	−148
Department of Health, Education, and Welfare	9		10	13	10	10
Treasury Department				*		
General Services Administration	18	17	20	16	17	20
Other independent agencies: Selective Service System	48	62	52	43	60	53
Total 059	80	84	87	136	−30	−59
Total, national defense	53,198	65,758	62,205	50,163	56,560	60,541
150 INTERNATIONAL AFFAIRS AND FINANCE						
151 Conduct of foreign affairs:						
Department of State	293	312	324	300	312	313
Other independent agencies:						
Foreign Claims Settlement Commission	2	2	2	35	2	2
Tariff Commission	3	3	4	3	3	4
United States Arms Control and Disarmament Agency	9	10	10	7	9	9
Total 151	307	328	339	346	327	328

See footnotes at end of table, p. 159.

200-000 O—66——10

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
152 Economic and financial assistance:						
Funds appropriated to the President	3,852	3,257	2,953	2,440	2,194	2,368
Department of Commerce	2	2	-------	3	5	8
Department of State	8	8	6	8	8	7
Other independent agencies: Export-Import Bank	-------	-------	-------	−357	−532	−309
Total 152	3,862	3,267	2,960	2,094	1,675	2,074
153 Foreign information and exchange activities:						
Department of State	51	59	56	58	58	58
Other independent agencies: United States Information Agency	166	186	185	165	171	179
Total 153	217	245	241	223	229	237
154 Food for Peace:						
Department of Agriculture	2,317	1,658	1,617	1,641	1,701	1,539
Total, international affairs and finance	6,703	5,497	5,157	4,304	3,932	4,177
250 SPACE RESEARCH AND TECHNOLOGY						
251 Space research and technology:						
National Aeronautics and Space Administration	5,250	5,175	5,012	5,093	5,600	5,300
350 AGRICULTURE AND AGRICULTURAL RESOURCES						
351 Farm income stabilization:						
Department of Agriculture	2,742	4,313	3,394	3,438	3,134	2,989
352 Financing farming and rural housing:						
Department of Agriculture	205	176	86	285	100	−553
Department of Housing and Urban Development	-------	-------	-------	-------	-------	−51
Other independent agencies: Farm Credit Administration	-------	-------	-------	−17	−10	−8
Total 352	205	176	86	268	90	−612
353 Financing rural electrification and rural telephones:						
Department of Agriculture	447	474	12	392	193	196
354 Agricultural land and water resources:						
Department of Agriculture	363	373	239	341	374	348

See footnotes at end of table, p. 159.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—**Continued**

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
355 Research and other agricultural services:						
Funds appropriated to the President	-------	-------	-------	1	*	*
Department of Agriculture	495	557	441	456	520	452
Other independent agencies: National Commission on Food Marketing	1	2	-------	*	1	*
Total 355	496	559	441	457	522	452
Total, agriculture and agricultural resources	4,253	5,895	4,172	4,898	4,313	3,372
400 NATURAL RESOURCES						
401 Land and water resources:						
Department of Agriculture	104	98	99	91	102	103
Department of Defense—Civil	1,254	1,314	1,290	1,169	1,245	1,290
Department of the Interior	657	619	626	586	540	578
Department of State	42	21	13	15	26	24
Other independent agencies:						
Federal Power Commission	13	14	14	13	14	14
Delaware River Basin Commission	*	*	*	*	*	*
Public Land Law Review Commission	*	1	1	-------	1	1
Tennessee Valley Authority	48	59	64	48	57	84
Water Resources Council	-------	*	3	-------	*	3
Total 401	2,117	2,127	2,110	1,922	1,985	2,098
402 Forest resources:						
Department of Agriculture	409	375	374	353	400	387
Department of the Interior	21	21	22	21	21	22
Total 402	430	396	396	374	421	409
403 Mineral resources:						
Department of the Interior	119	110	136	105	114	141
404 Fish and wildlife resources:						
Department of Defense—Civil	*	*	*	*	*	*
Department of the Interior	129	145	118	118	120	121
Department of State	2	3	2	2	2	2
Total 404	131	148	121	120	123	123
405 Recreational resources:						
Department of the Interior	152	252	237	134	194	204
Other independent agencies: Historical and memorial commissions	-------	*	*	-------	*	*
Total 405	152	252	237	134	194	204

See footnotes at end of table, p. 159.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—**Continued**

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
409 General resource surveys and administration:						
Department of the Interior	96	87	89	94	84	86
Total, natural resources	3,045	3,119	3,089	2,750	2,920	3,062
500 COMMERCE AND TRANSPORTATION						
501 Aviation:						
Department of Commerce				*	*	*
Federal Aviation Agency	727	868	758	795	800	840
Other independent agencies: Civil Aeronautics Board	87	82	75	80	79	73
Total 501	814	950	833	875	879	913
502 Water transportation:						
Department of Commerce	369	350	299	337	330	297
Department of Defense—Civil				3	1	−2
Treasury Department	417	473	493	386	410	454
Other independent agencies:						
Atlantic-Pacific Interoceanic Canal Study Commission	*	7	6	*	6	7
Saint Lawrence Seaway Development Corporation				1	1	*
Total 502	786	830	799	728	749	756
503 Highways:						
Department of Commerce	240	111	130	39	77	102
505 Postal service:						
Post Office Department	781	930	836	805	878	755
506 Advancement of business:						
Funds appropriated to the President		35			30	5
Department of Commerce	270	296	336	299	301	329
Department of the Interior	1	4		15	14	*
Department of Housing and Urban Development						−161
Other independent agencies: Small Business Administration	152	317	8	243	−45	−323
Total 506	424	652	344	557	301	−150

See footnotes at end of table, p. 159.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
507 Area and regional development:						
Funds appropriated to the President	4			322	125	8
Department of Commerce	121	332	373	76	90	183
Department of Housing and Urban Development		*			*	
Other independent agencies:						
Federal Development Planning Committees for Alaska		*	*	*	*	*
Federal Reconstruction and Development Planning Commission for Alaska				*		
Appalachian Regional Commission	1		1	*	1	1
Total 507	126	333	374	398	217	193
508 Regulation of business:						
Department of Commerce	5	5	5	5	5	5
Department of Justice	7	7	7	7	7	7
Other independent agencies:						
Civil Aeronautics Board	11	11	12	11	11	12
Federal Communications Commission	17	17	18	17	17	17
Federal Maritime Commission	3	3	3	3	3	3
Federal Trade Commission	13	14	14	14	14	14
Interstate Commerce Commission	27	28	28	26	27	28
Securities and Exchange Commission	15	16	18	15	16	18
Total 508	98	102	105	98	101	104
Total, commerce and transportation	3,269	3,908	3,421	3,499	3,202	2,672
550 HOUSING AND COMMUNITY DEVELOPMENT						
551 Aids to private housing:						
Department of Housing and Urban Development	41	199	90	−613	−457	−485
Other independent agencies: Federal Home Loan Bank Board				−205	−262	−352
Total 551	41	199	90	−818	−719	−836
552 Public housing programs:						
Department of Housing and Urban Development	225	264	280	230	249	261
553 Urban renewal and community facilities:						
Department of Housing and Urban Development	885	1,224	1,065	420	477	571

See footnotes at end of table, p. 159.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
555 National Capital region:						
Other independent agencies:						
Commission of Fine Arts	*	*	*	*	*	*
Interstate Commission on the Potomac River Basin	*	*	*	*	*	*
National Capital Housing Authority	*	*	*	*	*	*
National Capital Planning Commission	1	1	7	2	2	5
National Capital Transportation Agency	------	4	19	1	4	10
District of Columbia	118	101	104	61	65	111
Total 555	119	106	130	64	71	127
Total, housing and community development	1,269	1,793	1,565	−104	77	123
650 HEALTH, LABOR, AND WELFARE						
651 Health services and research:						
Department of Health, Education, and Welfare	2,472	3,385	4,222	1,882	2,481	3,621
652 Labor and manpower:						
Department of the Interior	10	10	9	9	9	9
Department of Labor	610	651	624	422	472	477
Other independent agencies:						
Equal Employment Opportunity Commission	2	3	6	*	4	6
Federal Coal Mine Safety Board of Review	*	*	*	*	*	*
Federal Mediation and Conciliation Service	6	7	7	6	7	7
National Commission on Technology, Automation, and Economic Progress	1	------	------	*	1	------
National Labor Relations Board	26	29	30	25	28	30
National Mediation Board	2	2	2	2	2	2
President's Advisory Committee on Labor-Management Policy	*	*	------	*	*	*
Total 652	658	702	679	464	523	531
653 Public assistance (excluding medical care for the aged):						
Department of Health, Education, and Welfare	2,947	3,279	3,511	2,827	3,288	3,364
655 Economic opportunity programs:						
Funds appropriated to the President	793	1,434	1,750	211	1,210	1,600

See footnotes at end of table, p. 159.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—**Continued**

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
659 Other welfare services:						
Funds appropriated to the President	55	130	15	43	150	43
Department of Agriculture	350	405	354	299	364	338
Department of Health, Education, and Welfare	168	362	467	157	344	448
Other independent agencies: Railroad Retirement Board	14	17	17	14	17	17
Total 659	587	914	853	513	875	846
Total, health, labor, and welfare	7,456	9,713	11,016	5,898	8,377	9,962
700 EDUCATION						
701 Assistance for elementary and secondary education:						
Department of Health, Education, and Welfare	488	1,661	1,636	418	730	1,546
702 Assistance for higher education:						
Department of Health, Education, and Welfare	681	1,113	1,224	192	473	673
Department of Housing and Urban Development	300	300	-------	221	240	−533
Total 702	981	1,413	1,224	413	712	140
703 Assistance to science education and basic research:						
Other independent agencies: National Science Foundation	420	480	525	309	365	425
704 Other aid to education:						
Legislative Branch	24	26	30	24	26	30
Department of Health, Education, and Welfare	366	558	643	252	338	529
Department of the Interior	98	107	115	99	106	113
Other independent agencies:						
National Capital Planning Commission	2	-------	-------	2	*	-------
National Council on the Arts	*	*	-------	*	*	-------
National Foundation on the Arts and the Humanities	-------	7	16	-------	2	8
Smithsonian Institution	37	27	36	28	41	43
Total 704	528	725	840	405	512	723
Total, education	2,417	4,278	4,225	1,544	2,318	2,834

See footnotes at end of table, p. 159.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
800 VETERANS BENEFITS AND SERVICES						
801 Veterans service-connected compensation:						
Veterans Administration	2,176	2,311	2,309	2,176	2,311	2,307
802 Veterans non-service-connected pensions:						
Veterans Administration	1,864	2,001	1,983	1,864	2,001	1,978
803 Veterans readjustment benefits:						
Department of Housing and Urban Development	------	------	------	−8	−73	−16
Veterans Administration	199	42	142	−42	−740	−148
Total 803	199	42	142	−50	−813	−164
804 Veterans hospitals and medical care:						
Veterans Administration	1,306	1,358	1,380	1,270	1,342	1,376
805 Other veterans benefits and services:						
Department of Defense—Civil	15	14	15	12	15	16
Department of Labor	1	------	------	1	*	------
Veterans Administration	247	291	246	220	263	206
Other independent agencies:						
American Battle Monuments Commission	2	2	2	2	2	2
Historical and Memorial Commissions	*	*	*	*	*	*
Total 805	265	307	263	235	280	224
Total, veterans benefits and services	5,810	6,018	6,077	5,495	5,122	5,721
850 INTEREST						
851 Interest on the public debt:						
Treasury Department	11,346	12,000	12,750	11,346	12,000	12,750
852 Interest on refunds of receipts:						
Treasury Department	77	91	91	77	91	91
853 Interest on uninvested funds:						
Treasury Department	12	12	13	12	12	13
Total, interest	11,436	12,104	12,854	11,435	12,104	12,854
900 GENERAL GOVERNMENT						
901 Legislative functions:						
Legislative Branch	139	229	156	142	166	162

See footnotes at end of table, p. 159.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—**Continued**

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
902 Judicial functions:						
The Judiciary	76	85	93	75	84	93
Other independent agencies: Indian Claims Commission	*	*	*	*	*	*
Total 902	77	85	94	76	84	94
903 Executive direction and management:						
Executive Office of the President	21	23	26	19	23	25
Funds appropriated to the President	1	1	1	1	1	1
Treasury Department	2	2	1	2	2	1
General Services Administration	1	*	*	*	*	*
Other independent agencies: Federal Radiation Council		*	*		*	*
Total 903	25	27	28	23	27	28
904 Central fiscal operations:						
Treasury Department	814	863	875	775	820	864
Other independent agencies:						
General Accounting Office	47	48	49	45	48	49
Renegotiation Board	3	3	2	3	3	2
Tax Court of the United States	2	2	2	2	2	2
Total 904	865	915	929	825	872	918
905 General property and records management:						
General Services Administration	598	576	608	606	580	613
Other independent agencies: Central Intelligence Agency				*	1	1
Total 905	598	576	608	606	581	614
906 Central personnel management:						
Department of Labor	57	53	49	57	50	45
Other independent agencies: Civil Service Commission	116	124	128	117	124	128
Total 906	174	177	177	174	173	173

See footnotes at end of table, p. 159.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
ADMINISTRATIVE BUDGET FUNDS—Continued						
908 Protective services and alien control:						
Department of Justice	378	380	397	351	377	398
Treasury Department	14	18	21	13	17	20
Other independent agencies:						
Administrative Conference of the United States		*	*		*	*
Civil Service Commission	1	1	1	*	1	1
Commission on Civil Rights	1	2	3	1	2	3
President's Commission on Law Enforcement and the Administration of Justice		1	1		1	1
Subversive Activities Control Board	*	*	*	*	*	*
Total 908	394	402	423	366	397	423
910 Other general government:						
Legislative Branch	8	6	53	*	−1	12
Funds appropriated to the President		4		1	5	
Department of Defense—Civil	49	76	53	49	53	65
Department of the Interior	52	42	36	23	41	47
Treasury Department	120	82	55	117	77	54
Other independent agencies:						
Alaska Temporary Claims Commission	*			*		
Commission on International Rules of Judicial Procedure	*				*	
Historical and memorial commissions	*	*	*	*	*	*
Intergovernmental commissions:						
Advisory Commission on Intergovernmental relations	*	*	*	*	*	*
Commission on the Status of Puerto Rico	*	*	*	*	*	*
Total 910	230	212	197	190	175	179
Total, general government	2,501	2,622	2,612	2,402	2,476	2,591
Allowance for contingencies		100	500		75	350
Interfund transactions [1]				−870	−647	−712
Total, administrative budget funds	**106,608**	**125,982**	**121,904**	**96,507**	**106,428**	**112,847**
TRUST FUNDS						
050 NATIONAL DEFENSE						
051 Department of Defense—Military:						
Department of Defense—Military:						
Army	*	*	*	*	*	*
Navy	5	6	6	5	6	6
Air Force	*	*	*	*	*	*
Total 051	6	6	6	5	6	6

See footnotes at end of table, p. 159.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
TRUST FUNDS—Continued						
057 Military assistance:						
Funds appropriated to the President	771	1,136	1,144	745	867	891
058 Atomic Energy:						
Atomic Energy Commission	1	1	*	1	2	*
059 Defense-related activities:						
Treasury Department	*	-------	-------	*	-------	-------
Total, national defense	778	1,143	1,150	751	875	898
150 INTERNATIONAL AFFAIRS AND FINANCE						
151 Conduct of foreign affairs:						
Department of Justice	-------	-------	-------	−169	155	63
Department of State	1	*	*	1	*	*
Treasury Department	2	2	5	2	5	6
Foreign Claims Settlement Commission	10	142	24	*	19	47
Total 151	12	145	29	−166	179	116
152 Economic and financial assistance:						
Funds appropriated to the President	2	2	1	2	2	1
Department of Commerce	6	10	6	3	8	9
Department of State	*	*	*	*	*	*
Total 152	8	12	7	6	11	11
153 Foreign information and exchange activities:						
Department of State	*	*	*	*	*	*
United States Information Agency	*	*	*	*	*	*
Total, international affairs and finance	21	156	36	−160	190	126
250 SPACE RESEARCH AND TECHNOLOGY						
251 Space research and technology:						
National Aeronautics and Space Administration	1	*	*	*	*	*
350 AGRICULTURE AND AGRICULTURAL RESOURCES						
351 Farm income stabilization:						
Department of Agriculture	-------	-------	-------	*	*	-------
352 Financing farming and rural housing:						
Department of Agriculture	-------	-------	-------	−1	−1	−1
Farm Credit Administration	-------	-------	-------	899	570	592
Total 352	-------	-------	-------	898	570	592
354 Agricultural land and water resources:						
Department of Agriculture	1	1	1	1	1	1

See footnotes at end of table, p. 159.

Table 14. **NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY** (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
TRUST FUNDS—Continued						
355 Research and other agricultural services:						
Department of Agriculture	29	30	31	28	30	30
Total, agriculture and agricultural resources	30	31	32	927	600	623
400 NATURAL RESOURCES						
401 Land and water resources:						
Department of Defense—Civil	20	20	27	24	28	27
Department of the Interior	3	2	1	2	3	2
Total 401	23	23	28	26	31	29
402 Forest resources:						
Department of Agriculture	28	29	30	24	28	29
403 Mineral resources:						
Department of the Interior	1	2	2	1	2	2
404 Fish and wildlife resources:						
Department of the Interior	2	2	2	2	2	2
405 Recreational resources:						
Department of the Interior	2	16	16	1	7	17
409 General resource surveys and administration:						
Department of the Interior	129	109	108	79	75	64
Total, natural resources	185	179	186	134	144	142
500 COMMERCE AND TRANSPORTATION						
502 Water transportation:						
Department of Commerce	1	51	35	13	22	32
Treasury Department	*	*	*	*	*	*
Total 502	1	51	35	13	22	32
503 Highways:						
Department of Commerce	3,895	4,051	4,314	4,027	3,971	4,080
506 Advancement of business:						
Department of Commerce	5	7	6	4	6	6
Federal Deposit Insurance Corporation	-------	-------	-------	−180	−220	−223
Total 506	5	7	6	−176	−214	−217
508 Regulation of business:						
Federal Communications Commission	-------	-------	-------	*	-------	-------
Total Commerce and transportation	3,901	4,109	4,355	3,864	3,780	3,895

See footnotes at end of table, p. 159.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
TRUST FUNDS—Continued						
550 HOUSING AND COMMUNITY DEVELOPMENT						
551 Aids to private housing:						
Department of Housing and Urban Development	91	270	135	91	1,400	500
Federal Home Loan Bank Board	-------	-------	-------	660	142	200
Total 551	91	270	135	751	1,542	700
555 National Capital Region:						
National Capital Housing Authority	-------	-------	-------	1	*	1
National Capital Planning Commission	-------	*	6	*	1	3
District of Columbia	423	403	494	385	446	490
Total 555	423	404	500	385	446	494
Total, housing and community development	513	674	635	1,136	1,988	1,194
650 HEALTH, LABOR, AND WELFARE						
651 Health services and research:						
Department of Health, Education, and Welfare	*	857	3,835	1	54	3,326
652 Labor and manpower:						
Department of Labor	502	518	536	415	476	531
653 Public assistance (excluding medical care for the aged):						
Department of Health, Education, and Welfare	*	*	*	*	*	*
654 Retirement and social insurance:						
The Judiciary	1	1	1	*	1	1
Department of Health, Education, and Welfare	17,684	19,034	23,223	17,460	20,787	21,819
Department of Labor	3,630	3,392	3,387	2,715	2,415	2,416
Department of State	10	10	10	8	9	10
Civil Service Commission	2,664	2,770	2,851	1,402	1,608	1,733
Railroad Retirement Board	1,337	1,419	1,584	1,185	1,240	1,274
Total 654	25,326	26,625	31,057	22,770	26,060	27,254
655 Economic opportunity programs:						
Funds appropriated to the President	*	*	*	-------	*	-------
659 Other welfare services:						
Department of Health, Education, and Welfare	-------	-------	-------	*	-------	-------
Total, Health, Labor, and Welfare	25,828	28,000	35,428	23,186	26,589	31,110

See footnotes at end of table, p. 159.

Table 14. NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY FUNCTION AND AGENCY (in millions of dollars)—Continued

Description	NEW OBLIGATIONAL AUTHORITY			EXPENDITURES		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
TRUST FUNDS—Continued						
700 EDUCATION						
704 Other aid to education:						
Legislative Branch	2	2	2	2	2	2
National Foundation on the Arts and the Humanities	-------	1	2	-------	1	2
Smithsonian Institution	*	*	*	*	*	*
Total 704	2	3	4	2	3	4
Total, education	2	3	4	2	3	4
800 VETERANS BENEFITS AND SERVICES						
805 Other veterans benefits and services:						
Department of Defense—Civil	7	7	11	7	7	9
Veterans Administration	712	723	724	617	547	673
American Battle Monuments Commission	*	*	*	*	*	*
Total, veterans benefits and services	719	730	735	624	554	682
900 GENERAL GOVERNMENT						
904 Central fiscal operations:						
Treasury Department	22	22	23	21	23	23
General Accounting Office	*	*	*	*	*	*
Tax Court of the United States	*	*	*	*	*	*
Total 904	22	22	23	21	23	23
905 General property and records management:						
General Services Administration	2	*	*	*	*	*
906 Central personnel management:						
Department of Labor	*	*	*	*	*	*
908 Protective services and alien control:						
Department of Justice	-------	-------	-------	*	*	-------
910 Other general government:						
Treasury Department	*	*	*	*	*	*
Historical and memorial commissions	-------	-------	-------	-------	*	-------
Commission on the Status of Puerto Rico	*	*	-------	*	*	*
Total 910	*	*	*	*	*	*
Total, general government	24	23	23	21	23	24
Deposit funds	-------	-------	-------	−210	−166	−48
Interfund transactions [1]	-------	-------	-------	−638	−795	−767
Total, trust funds	**32,002**	**35,048**	**42,584**	**29,637**	**33,786**	**37,882**

See footnotes at end of table, p. 159.

*Less than $500 thousand.

[1] Interfund transactions shown as deduct lines are as follows:

Administrative Budget	1965 actual	1966 estimate	1967 estimate
Interest on loans to Government-owned enterprises:			
Commodity Credit Corporation	$459	$299	$322
Expansion of defense production	125	15	35
Export-Import Bank of Washington	15	15	7
Housing and Urban Development	147	126	130
Panama Canal Company	11	12	12
Small Business Administration	31	39	45
Veterans Administration	36	33	24
St. Lawrence Seaway Development Corporation	4	4	4
Power marketing agencies (proposed)	---	45	48
Other	24	32	57
Fees and other charges:			
Southwestern Power Administration	---	3	3
Bonneville Power Administration	---	6	6
Panama Canal Company for annuity payment and cost of Canal Zone government	17	18	19
Total, administrative trust funds	870	647	712
Trust Funds			
Payments to employees' retirement fund receipts:			
District of Columbia government	8	8	8
District of Columbia employees' pay deductions	8	8	8
Payments between funds:			
FOASI fund from Federal disability insurance fund	3	4	---
FOASI from Federal supplementary medical insurance trust fund	---	---	2
Railroad retirement account from:			
FOASI trust fund	436	445	520
Unemployment trust fund	90	95	94
Federal disability insurance fund	24	25	27
Civil service retirement and disability fund to Foreign Service retirement fund	1	1	1
Unemployment trust fund from railroad retirement account	58	52	52
Federal hospital insurance trust fund from railroad retirement account	---	---	16
National Park Service from District of Columbia	1	15	15
Foreign Claims Settlement Commission from alien property and claims funds	10	142	24
Total, trust funds	638	795	767

PART 5

THE FEDERAL PROGRAM BY AGENCY

200-000 O—66——11

EXPLANATION OF MEANS OF FINANCING AGENCY ACTIVITIES

TYPES OF FUNDS

Agency activities are financed both through administrative budget funds and through trust funds.

The administrative budget covers Federal (Government-owned) funds which are of four types. The *general* fund is credited with receipts not earmarked by law, and is charged with expenditures payable from such revenues and from general borrowing. *Special* funds account for Federal receipts earmarked for specific purposes, other than carrying out a cycle of operations. *Public enterprise* (revolving) funds finance a cycle of operations in which expenditures generate receipts primarily from the public. *Intragovernmental revolving and management* funds facilitate financing operations within and between Government agencies.

Trust funds are established to account for receipts which are held in a fiduciary capacity by the Government for use in carrying out specific purposes and programs. Within the category of trust funds there is a special category of *trust revolving* funds which carry on a cycle of business-type operations.

The budget also includes (in association with the trust funds) deposit funds, which are not used for Government programs but are essentially suspense or agent accounts and include some transactions of certain Government-sponsored enterprises. The following discussion is not generally pertinent to them.

NEW OBLIGATIONAL AUTHORITY AND OBLIGATIONS

New obligational authority.—Government agencies are permitted to enter into obligations, requiring either immediate or future payment of money, only when they have been granted authority to do so by law. The amounts thus authorized by Congress are called *new obligational authority* (NOA). Such authority is related to the *obligations* expected to be incurred during the year for most accounts. In some cases, especially construction, research, or procurement, NOA is requested and granted to finance the full cost of each project at the time it is started.

New obligational authority usually takes the form of *appropriations* which permit obligations to be incurred and expenditures to be made. Some is in the form of *contract authorizations* which permit obligations,

but require an appropriation "to liquidate" in order to permit expenditures in payment of the obligations. Any part of NOA which is not used for obligations during the period for which it is made available by the Congress expires, and thus cannot be used at a later time. However, *reappropriations* and *reauthorizations* are congressional actions to continue availability of unused balances which would otherwise expire. There are also *authorizations to spend debt receipts;* such NOA permits the use of borrowed money to incur obligations and make expenditures. Authority to use Treasury borrowing is an authorization to spend from *public* debt receipts; authority to borrow directly from private enterprise, granted only to certain Government corporations, is called an authorization to spend from *corporate* debt receipts.

Most new obligational authority of administrative budget funds is granted year by year (*current authorizations*). Under certain laws, some new obligational authority in the administrative budget and most NOA in the trust funds becomes available from time to time without further action by the Congress (*permanent authorizations*).

The amount of new obligational authority is usually named specifically in the act of Congress which makes it available (*definite authorizations*). In a few cases the amount is left indefinite to be determined by subsequent circumstances (*indefinite authorizations*); an example is the appropriation for interest on the public debt.

Most appropriations for current operations are made available for obligation only within the year (*1-year appropriations*). Some are for a specified longer period (*multiple-year appropriations*). Some, including most of those for construction, some for research, and nearly all trust fund appropriations are made available by Congress until expended (*no-year appropriations*), and remain available for obligation until the objectives have been completed.

Obligations incurred.—Following the enactment of new obligational authority, obligations are incurred by Government agencies. Such obligations include the currently accruing liabilities for salaries and wages, certain contractual services, and interest; entering into contracts for equipment, construction, and land; approval of agreements to make loans; and other commitments requiring the payment of money.

EXPENDITURES AND BALANCES

Expenditures.—Obligations are liquidated by the issuance of checks, disbursement of cash, the maturing of interest coupons in the case of some bonds, and, in a few special cases, by issuance of bonds or notes (or increases in the redemption value of bonds outstanding) in lieu of checks. Retirement of debt and purchase of the Government's own securities are not counted as expenditures (or as obligations incurred).

Expenditures during any fiscal year may be payments of obligations incurred in prior years or in the same year. The expenditures therefore flow in part from balances of prior year NOA and in part from NOA provided for the year in which the money is spent.

For three types of funds—public enterprise, intragovernmental, and trust revolving funds—expenditures are stated net of receipts. Some incidental sums received are accounted for as reimbursements to appropriations, and also netted against expenditures. If receipts exceed expenditures the difference shows as a minus entry in the expenditure tables. Moneys received from the issuance of debt instruments or the sale of the Government's own securities are not counted as receipts or netted against expenditures.

Expenditures of the individual accounts and funds include various payments which are credited to receipt accounts. For example, a number of public enterprise funds pay, to the general fund, interest on the capital they have received from the Government. Interfund transactions of this type within the administrative budget are deducted at the end of the expenditure tables (and identical deductions are made at the end of the receipt tables). Similar interfund deductions are made in the trust fund tables for those payments made by one trust fund to another.

Balances.—Not all of the obligational authority enacted for a fiscal year is paid out in the same year. In the case of salaries and wages, only 1 to 3 weeks elapse between the time of obligation and the time of expenditure. On the other hand, in the case of major procurement and construction, up to several years may elapse. Amounts which have been obligated are always carried forward until the subsequent expenditure in payment of such obligations is made.

In addition to the *obligated balances*, *unobligated balances* may also be carried forward in multiple-year or no-year accounts which are still available for obligation. Therefore, a change in the amount of new obligational authority for a given year does not necessarily change either the obligations incurred or the budget expenditures in that same year by an equal amount. A change in new obligational authority in any one year may spread its effect over obligations for 2 or more years and over expenditures for even a longer period.

ESTIMATES FOR 1966 AND 1967

Data for 1966.—Congress has already acted on appropriations and other new obligational authority for fiscal year 1966, but additional supplemental amounts are estimated to be required in certain cases. Where the word "enacted" is used in the budget in reference to 1966, as in tables 4 and 5, the amounts represent NOA already voted by

Congress (including the amounts likely to be available in the case of appropriations made in an indefinite amount) or the expenditures thereunder, unless otherwise indicated. Where the word "estimate" is used, the amounts include needed supplementals as well as NOA which has been enacted. Certain standard footnotes are used in the following table to distinguish the status of proposed items for 1966 in this part of the budget. NOA is identified for each item, as are expenditures for items other than those for civilian and military pay increases. Expenditures from pay increase items are identified in the agency totals, but are merged with expenditures from amounts already enacted in the individual lines.

Data for 1967.—This budget is complete as to the estimates for 1967. The budget appendix generally includes the proposed appropriation language for the various items which are identified in the budget. However, in some instances—mainly cases of proposed new legislation—estimates are included in the budget, but formal transmittal of the proposed text of the appropriation language (or other proposal) will be made separately. In certain tables, these items for separate transmittal and expenditures therefrom are identified in separate columns, or by special footnotes, as in the following table. Where there is no separate identification, the estimate for 1967 includes both the amounts proposed herein and the amounts proposed for separate transmittal.

Changes from 1966 to 1967.—The table which follows gives data for 1965, 1966, and 1967, with figures on increases or decreases for 1967 compared with 1966. These changes include certain mandatory cost changes as well as proposals of the President with respect to programs.

Special allowances.—Lump-sum allowances are included in the summary table to cover possible additional supplemental proposals which may be required for 1966 and 1967. The need for such supplementals may arise from requirements not now foreseen for existing programs, or from the enactment of legislation not specifically provided for in the budget, either because it is not proposed by the President, or because its cost in either of the 2 years is relatively small. In some cases, also, legislative proposals may involve all or a number of agencies, and it is not feasible to show individual items under the agencies concerned.

Annexed budgets.—The expenditures and revenues of seven self-supporting Government agencies or programs, not subjected to Presidential review, are set forth in a memorandum section at the end of part 5, and some details on them appear as annexed budgets in the appendix.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)

This tabulation shows, for each appropriation and fund account, among the administrative budget funds, information on new obligational authority (called NOA herein) and expenditures. Explanatory sentences relate primarily to NOA, and usually to increases or decreases for 1967. Functional code numbers are cross references to the lines in table 14 (pp. 145 to 159) where the figures are summarized. The NOA in this tabulation takes account of certain transfers between appropriations which are set forth in the Budget Appendix. Congressional action in the appropriation process occasionally is in the form of a limitation on the use of a trust fund or other fund, or an appropriation to liquidate contract authorizations; such items which do not involve NOA are also included here in parentheses, but are not added into the totals. NOA items in the administrative budget are current authorizations except where otherwise indicated. A separate section of this tabulation shows similar information on the trust funds. Smaller funds are grouped in that section. Accounts appearing there are permanent authorizations unless otherwise noted.

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
LEGISLATIVE BRANCH						
SENATE						(For the Legislative Branch, explanations are shown only for those items for which supporting data submitted to the Bureau of the Budget indicate the reason for a change from the appropriation for the current fiscal year.)
General and special funds:						
Compensation of the Vice President and Senators 901	NOA	2,877	3,286 B 8	3,297	3	
	Exp.	2,854				
Mileage of President of the Senate and of Senators 901	NOA	58	58	58	----------	
	Exp.	52				
Expense allowances of the Vice President and majority and minority leaders 901	NOA	14	16	16	----------	
	Exp.	14				
Salaries, officers and employees 901	NOA	23,014	23,854 B 643	24,722	225	
	Exp.	22,032				
Office of the Legislative Counsel of the Senate 901	NOA	293	308 B 7	318	3	
	Exp.	287				
Senate procedures 901	NOA	----------	4	----------	−4	
	Exp.	----------				

Contingent expenses of the Senate:					
Senate policy committees...901	NOA	394	395 [B] 10	408	3
	Exp.	262			
Automobiles and maintenance 901	NOA	43	43 [B] 1	44	----------
	Exp.	35			
Furniture.....901	NOA	31	31	31	----------
From 1964 NOA.....	Exp.	17			
From 1965 NOA.....	Exp.	19			
Inquiries and investigations.901	NOA	4,677	4,777 [B] 117	4,933	39
	Exp.	4,499			
Folding documents.....901	NOA	47	39 [B] 1	41	1
	Exp.	42			
Mail transportation.....901	NOA	17	17	17	----------
	Exp.	12			
Miscellaneous items.....901	NOA	2,984	3,448 [B] 20	3,388	−80
	Exp.	2,850			
Postage stamps.....901	NOA	62	91	91	----------
	Exp.	60			
Stationery (revolving fund).901	NOA	256	256	256	----------
	Exp.	251			
Communications.....901	NOA	15	15	15	----------
	Exp.	13			

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued						
SENATE—Continued						
General and special funds—Continued						
Payments to estates and widows of deceased Members of the Senate 901	NOA	52				
	Exp.	52				
Senate restaurant fund 901	Exp.	16				
Recording studio revolving fund 901	Exp.	−104				
Total, Senate	NOA	**34,834**	**36,638** B807	**37,635**	**190**	
	Exp.	33,261	35,696	35,900	204	
HOUSE OF REPRESENTATIVES						
Compensation of Members 901	NOA	**12,382**	**14,139** B8	**14,149**	**2**	
	Exp.	11,976				
Mileage of Members and expense allowance of the Speaker 901	NOA	**200**	**200**	**200**		
	Exp.	194				
Salaries, officer and employees 901	NOA	**9,674**	**10,695** B261	**11,411**	**455**	
	Exp.	9,536				
Members' clerk hire 901	NOA	**25,212**	**28,500** B747	**30,000**	**753**	
	Exp.	25,151				

Contingent expenses of the House:					
Furniture 901	NOA	175	140	365	225
	Exp.	152			
Miscellaneous items 901	NOA	3,817	4,123	7,000	2,877
	Exp.	3,720			
Reporting hearings 901	NOA	223	223	223	----------
	Exp.	111			
Special and select committees 901	NOA	4,516	4,500 [B] 97	4,650	53
	Exp.	3,836			
Office of the Coordinator of Information 901	NOA	136	136 [B] 4	141	1
	Exp.	133			
Telegraph and telephone 901	NOA	2,400	2,400	2,880	480
	Exp.	1,802			
Stationery (revolving fund) 901	NOA	1,046	1,046	1,046	----------
	Exp.	1,105			
Attending physician's office 901	NOA	17	20	21	1
	Exp.	17			
Postage stamps 901	NOA	229	229	229	----------
	Exp.	244			
Folding documents 901	NOA	143	----------	----------	----------
	Exp.	143			
Revision of laws 901	NOA	25	27 [B] 1	28	----------
	Exp.	25			

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued						
HOUSE OF REPRESENTATIVES—Con.						
General and special funds—Continued						
Contingent expenses of the House—Continued						
Speaker's automobile 901	NOA	12	12	13	1	
	Exp.	11				
Majority leader's automobile 901	NOA	12	12	13	1	
	Exp.	11				
Minority leader's automobile 901	NOA	12	12	13	1	
	Exp.	11				
New edition of the United States Code 901	NOA	150	150	150	----------	
	Exp.	35				
New edition of the District of Columbia Code 901	NOA	100	100	100	----------	
	Exp.	39				
Payments to widows and heirs of deceased Members of Congress 901	NOA	45	----------	----------	----------	
	Exp.	45				
House of Representatives restaurant fund 901	Exp.	−50				
Recording studio revolving fund 901	Exp.	−32				

Advances and reimbursements 901	Exp.	−4			
Total, House of Representatives.	NOA	60,525	66,664 [B]1,118	72,632	4,850
	Exp.	58,212	65,905	70,883	4,978
JOINT ITEMS					
Statements of appropriations 901	NOA	13	13	13	----------
	Exp.	13			
Joint Committee on Reduction of Nonessential Federal Expenditures 901	NOA	35	35 [B]1	36	----------
	Exp.	35			
Joint Economic Committee 901	NOA	265	360 [B]9	372	3
	Exp.	229			
Joint Committee on Atomic Energy 901	NOA	348	347 [B]8	358	3
	Exp.	285			
Joint Committee on Printing 901	NOA	151	151 [B]4	156	1
	Exp.	136			
Joint Committee on Inaugural Ceremonies 901	NOA	265	----------	----------	----------
	Exp.	242			
Joint Committee on Internal Revenue Taxation 901	NOA	390	390 [B]9	435	36
	Exp.	327			
Joint Committee on Immigration and Naturalization 901	NOA	24	24 [B]1	125	100
	Exp.	23			

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued						
JOINT ITEMS—Continued						
General and special funds—Continued						
Joint Committee on Defense Production 901	NOA	80	80 B 2	83	1	
	Exp.	71				
Capitol Police:						
General expenses 901	NOA	37	50	50	----------	
	Exp.	27				
Capitol Police Board 901	NOA	461	809	809	----------	
	Exp.	228				
Education of Pages 901	NOA	86	86	86	----------	
	Exp.	76				
Official mail costs 901	NOA	4,723	6,512	6,936	424	
	Exp.	4,723				
Total, joint items	NOA	6,877	8,857 B 34	9,459	568	
	Exp.	6,414	8,418	9,782	1,364	
ARCHITECT OF THE CAPITOL						
Salaries 901	NOA	548	588 B 14	648	46	Increase is for 2 additional positions and changes under the Classification Act.
	Exp.	564	596	645	49	

Contingent expenses 901	NOA	50	50	50		This item is for unforeseen expenses.
	Exp.	26	49	50	1	
Capitol buildings and grounds:						
Capitol buildings 901	NOA	1,764	1,640 [A] 27 [B] 13	1,613	−67	The decrease is mainly because 1966 included nonrecurring items of painting the Dome and west central section of the Capitol Building.
Reappropriation	NOA	66				
	Exp.	1,626	1,983 [A] 23	1,615 [A] 4	−387	
Extension of the Capitol:						
Contract authorization (permanent, indefinite) 901	NOA		300		−300	
Liquidation of contract authorization.		(125)	(300)		(−300)	
	Exp.	423	549		−549	
Capitol grounds 901	NOA	740	638 [A] 10	790	142	Increase is for 8 additional positions, additions to the water supply system, and landscape improvements of 2 triangles.
	Exp.	619	761 [A] 8	790 [A] 2	22	
Senate Office Buildings 901	NOA	2,464	2,864 [A] 31	2,530	−365	The decrease is mainly because 1966 included nonrecurring items of replacement of plumbing system, and renewal of electrical wiring, Old Building.
Reappropriation	NOA	153				
	Exp.	2,628	2,758 [A] 26	2,705 [A] 5	−74	
Senate garage 901	NOA	53	54 [A] 1	58	4	The 1967 estimate provides for maintenance, repairs, personnel and all other necessary expenses.
	Exp.	54	54 [A] 1	58	4	
House Office Buildings 901	NOA	3,230	3,807	4,019	212	The 1967 increase results from addition of 7 positions and wage board and Classification Act changes.
	Exp.	2,459	3,818	4,019	201	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued						
ARCHITECT OF THE CAPITOL—Con.						
General and special funds—Continued						
Acquisition of property, construction and equipment, additional House Office Building:						
Contract authorization (permanent, indefinite) 901	NOA	3,500	4,392		−4,392	
Liquidation of contract authorization.		(8,000)	(12,500)		(−12,500)	
	Exp.	11,647	16,189	6,905	−9,284	
Capitol Power Plant 901	NOA	2,665	2,752 Δ10	2,778	16	The increase is due principally to rehabilitation of the stoker.
	Exp.	2,169	2,860 Δ8	2,778 Δ2	−89	
Expansion of facilities, Capitol Power Plant 901	Exp.	1,024	1,316	608	−708	
Additional office building for the U.S. Senate 901	Exp.		30		−30	
Changes and improvements, Capitol Power Plant 901	Exp.	4	20		−20	
Furniture and furnishings, additional Senate Office Building 901	Exp.	10	64		−64	
Planning for restoration of Old Senate Chamber and Old Supreme Court Chamber in the Capitol 901	Exp.	32	4		−4	

Library buildings and grounds:						
Structural and mechanical care 901	NOA	2,382	879 [A] 13	1,538	381	The increase is due mainly to replacement of book conveyors, replacement of 3 passenger elevators, installation of additional elevator, and construction changes in cellar area.
Reappropriation	NOA	413	268			
	Exp.	1,988	3,668 [A] 11	2,770 [A] 2	−908	
Furniture and furnishings 901	NOA	220	274	349	75	Increase is primarily for office machines, card catalog cases, bookkeeping machines, file cabinets, and rotary power files.
	Exp.	186	308	349	41	
Library of Congress James Madison Memorial Building:						
Contract authorization 901	NOA		75,000		−75,000	New construction project authorized Oct. 19, 1965.
Liquidation of contract authorization.			(500)		(−500)	
	Exp.		375	125	−250	
Total, Architect of the Capitol.	NOA	18,249	93,502 [A] 92 [B] 27	14,373	−79,248	
	Exp.	25,459	35,401 [A] 78	23,416 [A] 14	−12,049	
BOTANIC GARDEN						
Salaries and expenses 901	NOA	500	467 [A] 6	538	65	The increase is mainly to provide for cleaning, refinishing and repairing metal doors and windows of the main conservatory.
	Exp.	526	496 [A] 5	538 [A] 1	38	
Relocation of greenhouses 901	Exp.	6	3		−3	
Total, Botanic Garden	NOA	500	467 [A] 6	538	65	
	Exp.	532	499 [A] 5	538 [A] 1	35	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued						
LIBRARY OF CONGRESS						
General and special funds—Continued						
Salaries and expenses.....704	NOA	**11,002**	**11,738** [B] **283**	**13,462**	**1,441**	Provides for increased activity in acquisition of materials by purchase, gift, exchange, and other means; in organization of the collections, and in reader and reference services.
	Exp.	11,421	11,853	13,212	1,359	
Copyright Office: Salaries and expenses.....704	NOA	**1,914**	**2,021** [B] **52**	**2,266**	**193**	Provides for workload increases in most of the activities of the office.
	Exp.	1,999	2,036	2,251	215	
Legislative Reference Service: Salaries and expenses.....704	NOA	**2,413**	**2,524** [B] **67**	**3,017**	**426**	Continues to provide research and analysis, preparation of indexes and digests, and other reader and reference services.
	Exp.	2,471	2,573	2,984	411	
Distribution of catalog cards: Salaries and expenses.....704	NOA	**3,810**	**4,035** [B] **65**	**4,564**	**464**	Continued increase in sales activity is expected. Costs are generally recovered from sales income.
	Exp.	3,565	4,189	4,488	299	
Books for the general collections 704	NOA	**670**	**780**	**850**	**70**	Will continue to acquire research materials, foreign newspapers and periodicals, and materials in science and technology, and to preserve deteriorating materials.
	Exp.	665	806	850	44	
Books for the law library.....704	NOA	**110**	**125**	**125**	----------	Objective will be to continue to improve the Library's coverage of law materials.
	Exp.	109	152	125	−27	
Books for the blind: Salaries and expenses.....704	NOA	**2,459**	**2,675** [B] **7**	**3,097**	**415**	Estimate will allow procurement of braille books, more titles, and copies of talking books and other improvements in service to the blind.
	Exp.	2,317	2,494	2,983	489	

Organizing and microfilming the papers of the Presidents: Salaries and expenses.....704	NOA	113	113	113	.....	Estimate provides for continuation of program to arrange, index, and microfilm presidential papers in the Library's collections.
	Exp.	125	113	113	.....	
Preservation of motion pictures 704	NOA	50	50	50	.....	Estimate will allow continued conversion of paper prints and nitrate films to safety base film.
	Exp.	16	113	50	−63	
Collection and distribution of Library materials (special foreign currency program).....704	NOA	1,542	1,845 [B]4	2,722	873	Program utilizes surplus foreign currencies to acquire and distribute foreign library materials.
	Exp.	1,187	1,849	2,722	873	
Indexing and microfilming the Russian Orthodox Greek Catholic Church records in Alaska.704	Exp.	2	5	5	.....	
Oliver Wendell Holmes devise fund (permanent, indefinite, special fund).....704	NOA	8	7	6	−1	Principal and interest on the fund will be used primarily to continue preparation of the history of the Supreme Court.
	Exp.	15	36	36	.....	
Intragovernmental funds:						
Advances and reimbursements.704	Exp.	−44	.....	.....	.....	
Total, Library of Congress....	NOA	24,089	25,913 [B]478	30,272	3,881	
	Exp.	23,848	26,220	29,819	3,599	
GOVERNMENT PRINTING OFFICE						
General and special funds:						
Printing and binding.....901	NOA	18,000	20,500	21,500	1,000	Appropriation covers all printing, binding, and distribution for the Congress, or as otherwise authorized by law.
	Exp.	17,911	19,764	21,900	2,136	
Office of Superintendent of Documents: Salaries and expenses.910	NOA	5,562	5,829 [B]71	6,156	256	Estimate covers costs of sales functions, depositary library distribution, distribution for other agencies and Congress, and cataloging.
	Exp.	5,506	5,950	6,206	256	
Selection of site and general plans and designs of buildings.....910	NOA	2,500	.....	.....	.....	
	Exp.	425	1,948	.....	−1,948	

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
LEGISLATIVE BRANCH—Continued						
GOVERNMENT PRINTING OFFICE—Continued						
General and special funds—Continued						
Acquisition of site and construction of buildings 910	NOA			46,663	46,663	Estimate provides for new buildings, equipment, and moving expenses.
	Exp.			14,182	14,182	
Intragovernmental funds:						
Government Printing Office revolving fund 910	Exp.	−6,388	−8,674	−7,976	698	(Earnings of $7.6 million are projected on sales of publications estimated at $15 million. Printing and binding operations, estimated at $140 million, are expected to break even.)
Total, Government Printing Office.	NOA	26,062	26,329 B 71	74,319	47,919	
	Exp.	17,454	18,938	34,312	15,324	
Total, Legislative Branch	NOA	171,137	258,370 A 98 B 2,535	239,228	−21,775	
	Exp.	165,180	188,616 A 83 B 2,511	204,626 A 15 B 24	13,455	

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES						
General and special funds:						
Salaries 902	NOA	1,894	1,925 [B]41	2,003	37	Estimate provides for salaries of the Chief Justice and 8 Associat Justices and all other officers and employees.
	Exp.	1,852	1,957	1,997	40	
Printing and binding Supreme Court reports 902	NOA	138	138	138	----------	Estimate covers cost of printing and binding advance opinions, preliminary prints and bound reports of the Court.
	Exp.	131	133	138	5	
Miscellaneous expenses 902	NOA	120	120	120	----------	Estimate allows for expenses as approved by the Chief Justice.
	Exp.	105	119	120	1	
Care of the building and grounds 902	NOA	305	314 [A]5	319	----------	Estimate covers work of the Architect of the Capitol in the care of the Court facilities.
	Exp.	359	326 [A]4	319 [A]1	−10	
Automobile for the Chief Justice 902	NOA	8	8	9	1	Provides for the purchase, exchange, lease, driving, maintenance, and operation of an automobile for the Chief Justice.
	Exp.	8	8	9	1	
Books for the Supreme Court 902	NOA	35	38	38	----------	Estimate covers books and periodicals.
	Exp.	37	38	38	----------	
Total, Supreme Court of the United States.	NOA	2,500	2,544 [A]5 [B]41	2,627	37	
	Exp.	2,491	2,581 [A]4	2,621 [A]1	37	
COURT OF CUSTOMS AND PATENT APPEALS						
Salaries and expenses 902	NOA	441	450 [B]6	475	19	Estimate includes an additional clerical position for the Clerk's office and an assistant librarian.
	Exp.	414	455	475	20	

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[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
THE JUDICIARY—Continued						
CUSTOMS COURT						
General and special funds—Continued						
Salaries and expenses.....902	NOA	1,119	1,159 [B]21	1,222	42	Estimate includes an additional law librarian, and an increase for other services.
	Exp.	1,053	1,174	1,220	46	
COURT OF CLAIMS						
Salaries and expenses.....902	NOA	1,272	1,300 [B]14	1,343	29	The increase provides funds for a librarian position.
	Exp.	1,244	1,310	1,340	30	
COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES						
Salaries of judges.....902	NOA	14,500	14,500	14,810	310	The estimate provides for an increase in senior and resigned judges and an increase in the number of judges to be paid.
	Exp.	14,000	14,480	14,785	305	
Salaries of supporting personnel 902	NOA	33,550	34,292 [B]890	37,433	2,251	The increase provides funds for 248 additional positions for the courts of appeals and district courts.
	Exp.	33,206	35,124	37,383	2,259	
Fees and expenses of court-appointed counsel.....902	NOA	.....	3,000	7,040	4,040	The increase will cover the cost of implementing the Criminal Justice Act of 1964.
	Exp.	.....	2,420	7,040	4,620	
Fees of jurors and commissioners 902	NOA	5,750	6,000 [A]1,165	7,400	235	The increase covers statutory increases in the attendance fees and subsistence allowances of jurors.
	Exp.	5,686	5,979 [A]1,050	7,285 [A]115	371	

Travel and miscellaneous expenses 902	NOA	4,710	4,910	5,570	660	Increase covers expenses in support of new personnel and cost of communications, supplies, equipment, and lawbooks.
	Exp.	4,688	4,888	5,550	662	
Administrative Office of the U.S. Courts 902	NOA	1,701	1,800 [B]34	2,394	560	Increase includes funds for administration of the Criminal Justice Act of 1964; expansion and improvement of the research and statistical programs; and to cope with an increased workload.
	Exp.	1,692	1,829	2,382	553	
Salaries of referees (special fund) 902	NOA	3,900	4,314	4,314	----------	Estimate is for salaries and related benefits of referees in bankruptcy.
	Exp.	3,774	4,289	4,314	25	
Expenses of referees (special fund) 902	NOA	5,955	6,425 [B]135	6,949	389	Increase provides for additional clerical personnel and expenses of referees due to increased workload.
	Exp.	5,808	6,473	6,905	432	
Total, courts of appeals, district courts, and other judicial services.	NOA	70,066	75,241 [A]1,165 [B]1,059	85,910	8,445	
	Exp.	68,853	75,482 [A]1,050	85,644 [A]115	9,227	
Subtotal, The Judiciary	NOA	75,398	80,694 [A]1,170 [B]1,141	91,577	8,572	
	Exp.	74,056	81,002 [A]1,054	91,300 [A]116	9,360	
Add: Court facilities and furnishings items requested under the General Services Administration (contra) 902	NOA	1,031	1,560	1,849	289	
	Exp.	1,344	1,864	2,005	141	
Total, The Judiciary	NOA	76,429	82,254 [A]1,170 [B]1,141	93,426	8,861	
	Exp.	75,400	81,787 [A]1,054 [B]1,079	93,243 [A]116 [B]62	9,501	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
EXECUTIVE OFFICE OF THE PRESIDENT						
COMPENSATION OF THE PRESIDENT						
General and special funds:						
Compensation of the President 903	NOA	150	150	150	.....	The President receives a salary of $100 thousand and an expense allowance of $50 thousand annually.
	Exp.	150	150	150	.....	
THE WHITE HOUSE OFFICE						
Salaries and expenses 903	NOA	2,855	2,855 B 85	2,955	15	This office provides the President with staff assistance and administrative services.
	Exp.	2,872	2,926	2,945	19	
SPECIAL PROJECTS						
Special projects 903	NOA	1,375	1,500 B −85	1,500	85	The President uses this appropriation for staff assistance on special problems. Transfer of $85 thousand is proposed for 1966 to meet civilian pay increases of the White House Office.
	Exp.	1,090	1,415	1,500	85	
EXECUTIVE MANSION						
Operating expenses 903	NOA	696	694	692	−2	These funds provide for care, maintenance, and operation of the Executive Mansion.
	Exp.	686	702	692	−10	
BUREAU OF THE BUDGET						
Salaries and expenses 903	NOA	7,307	7,973 B 131	9,230	1,126	The Bureau assists the President in the discharge of his budgetary, management, and other executive responsibilities. Increase reflects additional staffing for program examination and evaluation, and the reestablishment of a small field service.
	Exp.	7,150	8,097	9,165	1,068	

Intragovernmental funds:						
Advances and reimbursements 903	Exp.	−61	72	----------	−72	
Total, Bureau of the Budget	NOA	**7,307**	**7,973** [B] **131**	**9,230**	**1,126**	
	Exp.	7,089	8,169	9,165	996	
COUNCIL OF ECONOMIC ADVISERS						
General and special funds:						
Salaries and expenses 903	NOA	**697**	**723** [B] **8**	**790**	**59**	The Council advises the President on economic programs and policy. Increase reflects cost of additional staff proposed for 1967.
	Exp.	667	740	781	41	
Intragovernmental funds:						
Advances and reimbursements 903	Exp.	−12	6	----------	−6	
Total, Council of Economic Advisers	NOA	**697**	**723** [B] **8**	**790**	**59**	
	Exp.	655	746	781	35	
NATIONAL AERONAUTICS AND SPACE COUNCIL						
General and special funds:						
Salaries and expenses 903	NOA	**500**	**525**	**525**	----------	The Council advises and assists the President on policies, plans, and programs in aeronautical and space sciences.
	Exp.	459	505	505	----------	
NATIONAL SECURITY COUNCIL						
Salaries and expenses 903	NOA	**627**	**660** [B] **15**	**664**	**−11**	The Council advises the President regarding national security policies.
	Exp.	608	658	654	−4	

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
EXECUTIVE OFFICE OF THE PRESIDENT—Continued						
OFFICE OF EMERGENCY PLANNING						
General and special funds—Continued						
Salaries and expenses.....903	NOA	4,840	4,955 B −86	5,096	227	This Office advises and assists the President in determining policy for and in planning, directing, and coordinating the total nonmilitary defense program.
	Exp.	4,464	4,663	5,000	337	
Salaries and expenses, telecommunications.....903	NOA	.....	1,228	2,270	1,042	The Director of Telecommunications Management advises and assists the President in coordinating telecommunications activities. Increase reflects costs of additional research.
	Exp.	.....	790	2,100	1,310	
State and local preparedness..059	NOA	1,500	.....	.....	.....	Financial assistance for State and local planning will be completed under 1965 appropriation.
	Exp.	639	1,200	1,080	−120	
Civil defense and defense mobilization functions of Federal agencies.....059	NOA	4,365	4,365 B 86	4,821	370	Increase will strengthen emergency planning done by other agencies under direct guidance from Office of Emergency Planning.
	Exp.	3,915	4,886	4,800	−86	
Research and development...903	Exp.	45	80	.....	−80	(This activity was transferred to Department of Defense and Public Health Service by Executive Order.)
Emergency supplies and equipment.....059	Exp.	2	.....	.....	.....	(Financing has been transferred to the "Salaries and expenses, Office of Emergency Planning" account.)
Total, Office of Emergency Planning.	NOA	10,705	10,548	12,187	1,639	
	Exp.	9,066	11,619	12,980	1,361	

OFFICE OF SCIENCE AND TECHNOLOGY						
Salaries and expenses.....903	NOA	**976**	**1,070**	**1,360**	**290**	The increase is for additional staff to advise and assist the President in developing policies and evaluating programs relating to science and technology.
	Exp.	930	1,074	1,350	276	
SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS						
Salaries and expenses.....903	NOA	**556**	**556** [B] 8	**566**	**2**	This Office directs U.S. participation in negotiations under the Trade Expansion Act, including the Sixth Round of negotiations under the General Agreements on Tariffs and Trade.
	Exp.	562	574	576	2	
MISCELLANEOUS						
Intragovernmental funds:						
Advances and reimbursements:						
Federal Radiation Council..903	Exp.	-72	37	.....	−37	(A direct appropriation is recommended under "Other Independent Agencies.")
Presidential committees....903	Exp.	−79	31	23	−8	(Covers 5 presidential committees financed by advances from participating agencies. Three will have expired or been abolished by the end of 1966; the President's Committee on Consumer Interests is to be financed through the Department of Labor in 1967, and the President's Committee on Equal Opportunity in Housing will continue to receive member contributions.)
Total, miscellaneous.....	Exp.	−151	68	23	−45	
Total, Executive Office of the President.	NOA	**26,444**	**27,254** [B] 162	**30,619**	**3,203**	
	Exp.	24,018	28,450 [B] 156	31,315 [B] 6	2,715	

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
FUNDS APPROPRIATED TO THE PRESIDENT						
ALASKA PROGRAMS						
General and special funds:						
Transitional grants to Alaska 910	NOA	----------	4,500	----------	−4,500	Payment of grants to assist in recovering from the earthquake of Mar. 27, 1964, has been completed.
	Exp.	522	4,566	----------	−4,566	
DISASTER RELIEF						
Disaster relief 659	NOA	55,000	55,000 A 75,000	15,000	−115,000	Supplemental in 1966 will finance eligible disaster relief work in 16 States where presidential declarations have been made and will provide funds for disasters that may occur during the remainder of fiscal year 1966.
	Exp.	43,461	115,461 A 35,000	43,000	−107,461	
EMERGENCY FUND FOR THE PRESIDENT						
Emergency fund for the President 903	NOA	1,000	1,000	1,000	----------	This appropriation enables the President to provide for emergencies affecting the national interest, security, or defense.
	Exp.	940	1,000	1,000	----------	
EXPANSION OF DEFENSE PRODUCTION						
Public enterprise funds:						
Revolving fund, Defense Production Act 059	Exp.	59,553	−123,137	−147,864	−24,727	(Reduction in 1967 is due to increased sales of minerals and metals inventory.)
EXPENSES OF MANAGEMENT IMPROVEMENT						
General and special funds:						
Expenses of management improvement 903	NOA	300	250	350	100	This appropriation enables the President to improve management organization, and operation of the executive branch.
	Exp.	335	400	370	−30	

INTERNATIONAL FINANCIAL INSTITUTIONS						
Subscription to Asian Development Bank.....152	NOA	.....	[A] 120,000	[A] 20,000	−100,000	Supplementals will provide the full commitment for callable capital stock and two of five equal installments of paid-in capital recommended in proposed legislation.
	Exp.	.....	[A] 10,000	[A] 10,000	.....	
Investment in Inter-American Development Bank.....152	NOA	455,880	455,880	250,000	−205,880	Estimate for 1967 will provide the third of 3 equal installments for the Bank's Fund for Special Operations.
	Exp.	.....	.....	.....	.....	
Subscription to the International Development Association...152	NOA	61,656	104,000	104,000	.....	Estimate for 1967 will provide the second of 3 equal installments comprising the U.S. share of an expansion of IDA resources.
	Exp.	61,656	.....	70,000	70,000	
Increase in quota in the International Monetary Fund.....152	NOA	1,035,000	.....	.....	.....	(Increase in quota was fully financed in 1965.)
	Exp.	258,750	.....	.....	.....	
Total, international financial institutions.	NOA	1,552,536	559,880 [A] 120,000	354,000 [A] 20,000	−305,880	
	Exp.	320,406	[A] 10,000	70,000 [A] 10,000	70,000	
MILITARY ASSISTANCE						
Military assistance.....057	NOA	1,055,000	1,170,000	[D] 917,000	−553,000	Funds to meet combat operations in Southeast Asia are requested in the Department of Defense budget. Contract authorization results from the exercise of special Presidential authority to use stocks of the Department of Defense, with reimbursement from subsequent appropriations to liquidate the authorization.
Contract authorization (permanent, indefinite).	NOA	75,000	300,000			
Liquidation of contract authorization.		.....	[A] (375,000)	.....	(−375,000)	
	Exp.	1,228,579	1,125,000	990,000	−210,000	
		.....	[A] 225,000	[A] 150,000		
Public enterprise funds:						
Foreign military sales fund...057	Exp.	.....	−75,000	10,000	85,000	(Receipts from prior sales finance additional sales of defense articles and services on cash or credit terms, including loan guarantees.)
Total, military assistance....	NOA	1,130,000	1,470,000	917,000	−553,000	
	Exp.	1,228,579	1,050,000	1,000,000	−125,000	
		.....	[A] 225,000	[A] 150,000		

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[D] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
FUNDS APPROPRIATED TO THE PRESIDENT—Continued						
ECONOMIC ASSISTANCE						
General and special funds:						
Technical cooperation and development grants 152	NOA	**195,529**	**202,302** [B] **−1,022**	[D] **231,310**	**30,030**	Increase reflects new emphases in education, health, and agriculture.
	Exp.	226,987	204,000	200,000	−4,000	
American schools and hospitals abroad 152	NOA	**16,800**	**7,000**	[D] **10,989**	**3,989**	Increase provides a grant to the University of the Americas and increased support to some institutions in the Near East.
	Exp.	8,060	10,000	11,300	1,300	
American schools and hospitals abroad (special foreign currency program) 152	Exp.	1,301	3,751	----------	−3,751	(Reflects completion of U.S. sponsored children's hospital in Poland.)
Surveys of investment opportunities 152	NOA	**1,600**	----------	----------	----------	Carryover from 1965 will finance 1967 program.
	Exp.	98	100	100	----------	
International organizations and programs 152	NOA	**134,272**	**144,755**	[D] **140,433**	**−4,322**	Estimate provides for voluntary contributions to international agencies, including the U.N. Development program and the Indus Basin development project.
	Exp.	99,711	100,000	110,000	10,000	
Supporting assistance 152	NOA	**407,542**	**369,200** [A] **315,000**	[D] **747,200**	**63,000**	Supplemental for 1966 will meet urgent needs in Vietnam, Laos, Thailand, and the Dominican Republic. The increase for 1967 relates primarily to Vietnam.
	Exp.	387,251	419,320 [A] 90,000	447,500 [A] 195,000	133,180	
Contingency funds:						
General 152	NOA	**99,200**	**50,000** [A] **100,000**	[D] **70,000**	**−80,000**	Replenishment of 1966 funds is required if needs in Vietnam and elsewhere arise beyond currently estimated requirements. Estimate for 1967 is minimum necessary to provide flexibility to meet emergencies and opportunities in the national interest.
	Exp.	150,807	78,180 [A] 10,000	21,000 [A] 35,000	−32,180	

Southeast Asia 152	NOA	----------	89,000	----------	−89,000	Unforeseen Southeast Asia needs will be met from the general worldwide contingency fund in 1967.
	Exp.	----------	45,000	43,500	−1,500	
Alliance for Progress: Technical cooperation and development grants 152	NOA	84,700	75,000	[D] 87,700	12,700	Increase reflects new emphases in education, health, and agriculture.
	Exp.	97,703	80,000	80,000	----------	
Social progress trust fund 152	Exp.	67,016	50,000	50,000	----------	(The Inter-American Development Bank now carries out this activity.)
Administrative expenses:						
Agency for International Development 152	NOA	53,600	54,240 [B] 980	[D] 57,387	2,167	Increase reflects primarily wage and price increases, reduced carryover, and some additional Vietnam support costs.
	Exp.	52,445	57,500	59,800	2,300	
State 152	NOA	3,029	3,100 [B] 42	3,255	113	Program level is same as in 1966.
	Exp.	2,307	2,700	3,000	300	
Subtotal, grants and other programs.	NOA	996,272	994,597 [A] 415,000	1,348,274	−61,323	
	Exp.	1,093,686	1,050,551 [A] 100,000	1,026,200 [A] 230,000	105,649	
Public enterprise funds:						
Loan and guarantee programs:						
Alliance for Progress: Development loans 152	NOA	425,000	435,125	[D] 455,300	20,175	Estimate provides for the U.S. share in accelerating joint Alliance for Progress effort. The United States also supports Latin American development through (a) use of agricultural surplus under the Food for Peace program, (b) Alliance development grants, (c) the facilities of the Export-Import Bank and the Peace Corps, and (d) subscriptions to the Inter-American Development Bank, all shown elsewhere.
	Exp.	201,818	290,000	300,000	10,000	
Development loans—revolving fund 152	NOA	773,728	618,225	[D] 665,388	47,163	Estimate reflects continued requirement for loan assistance, mainly in Near East and South Asia.
	Exp.	640,524	568,830	585,793	16,963	

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[D] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
FUNDS APPROPRIATED TO THE PRESIDENT—Continued						
ECONOMIC ASSISTANCE—Continued						
Public enterprise funds—Continued						
Loan and guarantee programs—Con.						
Development Loan Fund (liquidation account) 152	Exp.	113,944	100,000	68,592	−31,408	(The fund ceased existence as a corporate entity in 1962 except for liquidation of loan commitments.)
Foreign investment guarantee fund 152	Exp.	−7,778	−9,000	−10,000	−1,000	(Guaranties of $1.6 billion are expected to be issued. No new obligational authority or expenditures are anticipated.)
Subtotal, loan and guarantee programs.	NOA	**1,198,728**	**1,053,350**	**1,120,688**	**67,338**	
	Exp.	948,507	949,830	944,385	−5,445	
Intragovernmental funds:						
Advance acquisition of property—revolving fund 152	Exp.	−765	−400	−600	−200	(The fund finances the acquisition, renovation, and resale of Government-owned excess property.)
Office of Inspector General of Foreign Assistance, State 152	Exp.	−28	19	15	−4	(Advances of $825 thousand from other appropriations will finance the continued review of foreign assistance activities.)
Subtotal, intragovernmental funds.	Exp.	−793	−381	−585	−204	
Total economic assistance	NOA	**2,195,000**	**2,047,947** **^415,000**	**2,468,962**	**6,015**	
	Exp.	2,041,400	2,000,000 ^100,000	1,970,000 ^230,000	100,000	

OFFICE OF ECONOMIC OPPORTUNITY						
General and special funds:						
Economic opportunity program 655	NOA	769,050	1,400,724	[D]1,724,000	323,276	Estimate will enable additional communities to plan and operate action programs to combat poverty and will finance preemployment education, training, and work experience for over 600,000 poor youths and adults.
	Exp.	194,076	1,179,724	1,573,875	394,151	
Public enterprise funds:						
Economic opportunity loan fund 655	NOA	23,950	33,000	[D]26,000	−7,000	Estimate will provide 15,500 loans to poor farm families and 400 loans to rural cooperatives.
	Exp.	17,158	30,276	26,125	−4,151	
Total, Office of Economic Opportunity.	NOA	793,000	1,433,724	1,750,000	316,276	
	Exp.	211,234	1,210,000	1,600,000	390,000	
PEACE CORPS						
General and special funds:						
Salaries and expenses 152	NOA	87,093	102,000	[D]110,500	−3,600	Lower volunteer costs allow decrease in NOA requirements, but estimate will permit expansion of 1,500 in volunteer and trainee strength.
Reappropriation	NOA	17,000	12,100			
	Exp.	78,573	84,000	88,000	4,000	
PUBLIC WORKS ACCELERATION						
Public works acceleration 507	NOA	4,000				(Authorized program is being completed. Projects were approved prior to July 1, 1964.)
	Exp.	321,625	125,000	8,073	−116,927	
SOUTHEAST HURRICANE DISASTER						
Southeast hurricane disaster 506	NOA		35,000		−35,000	Appropriation in 1966 was to provide special assistance to victims of Hurricane Betsy.
	Exp.		30,000	5,000	−25,000	
MISCELLANEOUS						
Assistance to Greece and Turkey 152	Exp.	1				(Account is used only to pay old obligations.)
Obligations, defense aid, liquidation lend-lease program 152	Exp.	17				(Account is used only to pay old obligations.)

[A] Proposed for separate transmittal, other than pay increase supplemental.
[D] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
FUNDS APPROPRIATED TO THE PRESIDENT—Continued						
MISCELLANEOUS—Continued						
General and special funds—Continued						
Translation of publications and scientific cooperation, special foreign currency programs..355	Exp.	618	247	243	−4	(Continuation of this program is provided under the National Science Foundation and the Department of Agriculture.)
Total, miscellaneous.....	Exp.	636	247	243	−4	
Total, funds appropriated to the President.	NOA	5,834,929	5,721,401 [A] 610,000	5,616,812 [A] 20,000	−694,589	
	Exp.	4,307,263	4,497,537 [A] 370,000	4,637,822 [A] 390,000	160,285	
DEPARTMENT OF AGRICULTURE						
AGRICULTURAL RESEARCH SERVICE						
General and special funds:						
Salaries and expenses.....355	NOA	227,133	197,901 [A] 470 [B] 3,201	177,728 [A] −1,478	−20,422	Increases are for staffing and operating new and expanded research laboratories and watershed research centers, plant and animal disease and pest control and eradication activities, construction of facilities at Clay Center, Nebr., and Miles City, Mont., and plans for relocation of animal quarantine station at Clifton, N.J. These increases are more than offset by decreases which reflect termination of $5.6 million in low-priority research, $11.7 million in nonrecurring construction costs and completion of the 1-year screwworm survey in Mexico plus the reduction or elimination of a number of control programs amounting to $7.8 million, and $1.5 million in anticipated legislation to place certain control activities on a self-supporting basis.
Permanent.....	NOA	.....	18,100	25,000		
Reappropriation.....	NOA	1,000	2,000			
	Exp.	202,701	195,137 [A] 454	193,100 [A] −1,462	−3,953	

Salaries and expenses (special foreign currency program) 355	NOA	2,000	3,000	----------	−3,000	Appropriation for special foreign currency program is to be replaced by a direct authorization to spend currencies.
	Exp.	6,553	6,338	7,012	674	
Miscellaneous expired accounts... 355	Exp.	679	480	200	−280	
Intragovernmental funds:						
Working capital fund, Agricultural Research Center.....355	Exp.	−67	----------	----------	----------	
Total, Agricultural Research Service.	NOA	230,133	221,001 [A] 470 [B] 3,201	202,728 [A] −1,478	−23,422	
	Exp.	209,866	201,955 [A] 454	200,312 [A] −1,462	−3,559	
COOPERATIVE STATE RESEARCH SERVICE						
General and special funds:						
Payments and expenses.....355	NOA	50,297	54,795 [B] 32	47,740	−7,487	Decreases of $8.5 million in payments for agricultural research and $2 million in grants for facilities are partially offset by a $2.9 million increase in contracts and grants for scientific research.
Permanent.....	NOA	----------	400			
	Exp.	46,867	58,348	47,747	−10,601	
EXTENSION SERVICE						
Cooperative extension work, payments and expenses.....355	NOA	85,857	89,135	90,224	1,089	Increase is for payments to the States under the Smith-Lever Act to continue work in the Appalachian region.
	Exp.	84,805	89,378	90,226	348	
Intragovernmental funds:						
Advances and reimbursements.355	Exp.	−73	----------	----------	----------	
Total, Extension Service....	NOA	85,857	89,135	90,224	1,089	
	Exp.	84,732	89,878	90,226	348	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
FARMER COOPERATIVE SERVICE						
General and special funds:						
Salaries and expenses.....355	NOA	1,141	1,141 B 26	1,175	8	Estimate provides for research and technical assistance for agricultural cooperatives.
	Exp.	1,095	1,141	1,170	29	
Intragovernmental funds:						
Advances and reimbursements..355	Exp.	24	13	.....	−13	
Total, Farmer Cooperative Service.	NOA	1,141	1,141 B 26	1,175	8	
	Exp.	1,119	1,154	1,170	16	
SOIL CONSERVATION SERVICE						
General and special funds:						
Conservation operations.....354	NOA	105,808	106,194 B 2,608	109,020	218	The 1967 estimate increases technical assistance on recreation projects and continues the 1966 level of operations in Appalachia but provides a reduced rate for soil surveys.
	Exp.	104,471	109,572	109,000	−572	
Watershed planning.....401	NOA	6,321	5,713 B 140	6,397	129	The 1967 estimate will continue current level of watershed planning in the Appalachian region.
Reappropriation.....	NOA	.....	415			
	Exp.	5,049	6,654	6,343	−311	
Watershed protection.....401	NOA	71,240	65,746 B 585	66,559	228	Estimate will start construction on about 35 watershed projects, continue construction on 330, complete 40, provide advance engineering and technical assistance to 358 projects, and increase river basin surveys.
	Exp.	61,304	66,086	70,120	4,034	

Flood prevention 401	NOA	26,317	25,411 [B] 160	25,654	83	Estimate will continue operations on the 10 uncompleted projects.
	Exp.	24,972	29,371	26,776	−2,595	
Great Plains conservation program 354	NOA	14,864	16,000 [B] 82	16,112	30	Estimate provides cost-sharing assistance and technical services to farmers and ranchers for the development and installation of land conservation plans.
	Exp.	12,493	13,478	15,004	1,526	
Resource conservation and development 354	NOA	1,813	4,301 [B] 46	4,574	227	Estimate includes funds to plan additional projects and continue operations in 20 projects.
	Exp.	1,000	3,880	6,003	2,123	
Total, Soil Conservation Service.	NOA	226,362	223,780 [B] 3,621	228,316	915	
	Exp.	209,288	229,041	233,246	4,205	
ECONOMIC RESEARCH SERVICE						
Salaries and expenses 355	NOA	11,222	11,536 [B] 246	12,547	765	Increases are for research on Appalachia, rural incomes and economy, water management and use problems in agriculture, and basic statistics on farm income parity.
	Exp.	10,138	11,696	12,401	705	
STATISTICAL REPORTING SERVICE						
Salaries and expenses 355	NOA	11,866	13,751 [B] 250	13,434	−567	Nonrecurring cost of a large computer more than offsets increases for an improved farm employment data collection system and for extension of the basic program to improve crop and livestock estimates in the 48 coterminous States.
		11,584	13,819	13,370	−449	
Intragovernmental funds: Advances and reimbursements 355	Exp.	2	16	----------	−16	
Total, Statistical Reporting Service.	NOA	11,866	13,751 [B] 250	13,434	−567	
	Exp.	11,586	13,835	13,370	−465	

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
CONSUMER AND MARKETING SERVICE						
General and special funds:						
Consumer protective, marketing and regulatory programs...355	NOA	40,487	78,149 A 20,360 B 1,905	86,265 A −71,298	−85,447	The decrease reflects proposed legislation to finance meat and poultry inspection and certain marketing services on a fee basis. The 1966 supplemental will establish the revolving fund required by the proposed legislation.
	Exp.	39,991	77,893	85,862 A −66,172	−58,203	
Payments to States and possessions.....355	NOA	1,500	1,750	1,750	.....	Estimate provides for matching payments to States for programs to improve marketing.
	Exp.	1,500	1,750	1,750	.....	
Special milk program.....659	NOA	51,500	103,000	21,000	−82,000	Program will be directed to needy children plus children in needy schools where there is no lunch program.
Permanent.....	NOA	51,500				
	Exp.	86,609	89,000	37,000	−52,000	
School lunch program.....659	NOA	146,400	157,000	138,000	−19,000	An increase of $4.5 million in special assistance to needy schools is more than offset by decreases of $14.3 million for commodity procurement and $9.2 million in cash payments to States.
Permanent.....	NOA	45,000	45,000	45,000		
	Exp.	178,580	186,000	168,000	−18,000	
Food stamp program.....659	NOA	25,000	79,992	.....	50,008	The expanded program will be financed entirely by transfer from the permanent appropriation, "Removal of Surplus Agricultural Commodities."
Permanent.....	NOA	30,650	.....	150,000		
Reappropriation.....	NOA	.....	20,000	.....		
	Exp.	34,395	88,700	132,600	43,900	
Perishable Agricultural Commodities Act fund (permanent, indefinite, special fund).....355	NOA	911	927	927	.....	License fees are used to cover the cost of administering the license system.
	Exp.	847	938	948	10	

Removal of surplus agricultural commodities (permanent, indefinite) 351	NOA	231,167	332,321	215,883	−116,438	30% of certain custom receipts is available to finance this and related Federal programs. Decrease results from transfer of funds to finance food stamp program.
	Exp.	272,932	321,079	185,883	−135,196	
Intragovernmental funds:						
Advances and reimbursements 355	Exp.	103	----------	----------	----------	
Total, Consumer and Marketing Service.	NOA	624,115	818,139 [A] 20,360 [B] 1,905	658,825 [A] −71,298	−252,877	
	Exp.	614,957	765,360	612,043 [A] −66,172	−219,489	
FOREIGN AGRICULTURAL SERVICE						
General and special funds:						
Salaries and expenses 355	NOA	20,779	20,574 [B] 178	21,379	627	The increase is to strengthen attaché service, market development supervision, and Public Law 480 compliance activities.
Permanent	NOA	3,117	3,117	3,117		
	Exp.	17,127	17,510	21,130	3,620	
Salaries and expenses (special foreign currency program) 355	Exp.	1,355	1,000	1,000	----------	(Program is financed from balances of prior year appropriations.)
Total, Foreign Agricultural Service.	NOA	23,896	23,691 [B] 178	24,496	627	
	Exp.	18,482	18,510	22,130	3,620	
COMMODITY EXCHANGE AUTHORITY						
Salaries and expenses 355	NOA	1,169	1,169 [B] 28	1,398	201	Increase provides for expanding investigations and supervision of futures trading.
	Exp.	1,144	1,202	1,391	189	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE						
General and special funds—Continued						
Expenses, Agricultural Stabilization and Conservation Service 351	NOA	108,552	126,278	135,891	9,613	Increase is primarily for financing administration of the cropland adjustment program.
	Exp.	107,886	125,092	134,522	9,430	
Sugar Act program 351	NOA	96,000	95,000	80,000	−15,000	Decrease results from anticipated reduced plantings and from lower payments for prior year crops.
	Exp.	92,108	94,089	85,132	−8,957	
Agricultural conservation program:						
Contract authorization 354	NOA	220,000	220,000	100,000	−120,000	Reduction proposed will provide adequate funds to cost-share high priority conservation practices.
Liquidation of contract authorization.		(225,000)	(220,000)	(220,000)	----------	
	Exp.	216,139	218,982	210,108	−8,874	
Appalachian region conservation program 354	NOA	7,000	----------	4,375	4,375	Estimate is for cost-sharing assistance in the conservation and development of the region's soil, water, woodland, wildlife, and recreation resources.
	Exp.	215	6,785	4,375	−2,410	
Cropland conversion program:						
Contract authorization (permanent) 351	NOA	10,000	10,000	10,000	----------	(Increases in appropriation to liquidate contract authorization in 1967 is due to financing the full year's program in 1967.)
Liquidation of contract authorization.		(15,000)	(7,500)	(10,000)	(2,500)	
	Exp.	9,667	9,738	9,917	179	
Cropland adjustment program 351	NOA	----------	----------	200,000	200,000	The funds will be used to assist farmers to divert land from the production of unneeded crops and to reimburse CCC for funds used in 1966.
	Exp.	----------	----------	200,000	200,000	
Conservation reserve program 351	NOA	194,000	146,000	143,000	−3,000	Requirements for annual rental payments will decrease in 1967 with contracts expiring on about 556,000 acres in 1966.
	Exp.	193,698	148,497	140,000	−8,497	

Emergency conservation measures 354	NOA	14,000	24,000	5,000	−19,000	Payments are for cost-sharing assistance to farmers and ranchers to rehabilitate lands damaged by natural disasters.
	Exp.	10,008	18,400	18,200	−200	
Indemnity payments to dairy farmers 355	NOA	1,000	300	----------	−300	Special appropriation in 1965 was to pay farmers for milk excluded from markets due to pesticide residues. Authority for making these payments has expired.
	Exp.	261	320	100	−220	
Total, Agricultural Stabilization and Conservation Service.	NOA	650,552	621,578	678,266	56,688	
	Exp.	629,982	621,903	802,354	180,451	
COMMODITY CREDIT CORPORATION						
Price Support and Related Programs						
Public enterprise funds:						
Price support and related programs: 351						
Contract authorization (permanent, indefinite).	NOA	----------	744,944	----------	−744,944	
Appropriation to liquidate contract authorization.		(841,856)	----------	(1,065,682)	(1,065,682)	
Reimbursement for net realized losses.	NOA	1,832,144	2,800,000	2,490,173	−309,827	Request in 1967 is to restore balance of 1964 and total 1965 losses and provide sufficient borrowing authority in 1967.
	Exp.	2,645,883	2,250,038	2,164,329	−85,709	
Limitation on administrative expenses.		(37,351)	(36,650)	(34,300)	(−2,350)	
Special milk program: 659						
Reimbursement for costs for special milk program.	Exp.	−129	−30	----------	30	(Program is now being financed through an appropriation under the Consumer and Marketing Service.)
Total, price support and related programs.	NOA	1,832,144	3,544,944	2,490,173	−1,054,771	
	Exp.	2,645,754	2,250,008	2,164,329	−85,679	

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
COMMODITY CREDIT CORPORATION—Continued						
Special Activities						The facilities of the Commodity Credit Corporation are available by law for carrying out the various programs listed. Subsequent recovery of costs incurred is made from special revenues, appropriations, or from other agencies.
Intragovernmental funds:						
Military housing, barter and exchange.....351	Exp.	−2,438	−2,000	−2,000	.....	(Receipts are from Department of Defense for housing constructed in France, using foreign currencies acquired by sale of agricultural commodities.)
National Wool Act (permanent, indefinite).....351	NOA	87,770	22,577	37,373	14,796	Increase due to higher payment rates.
	Exp.	22,668	37,549	47,331	9,782	
Miscellaneous game bird protection.....351	Exp.	68	−198	20	218	(A portion of this item is included in Department of the Interior and the remainder is an appropriation to reimburse the Corporation included in "Reimbursement for net realized losses.")
Research to increase domestic consumption of farm commodities (permanent).....355	NOA	12,175	.....	.....	.....	
	Exp.	4,661	9,357	.....	−9,357	(This item to be included in Agricultural Research Service.)
Research to reduce surplus commodities.....355	Exp.	1,822	4,750	7,500	2,750	(Corporation funds are transferred to the Agricultural Research Service for specified research projects.)
Loans for conservation purposes 354	Exp.	−2,960	2,600	−15,000	−17,600	(Corporation funds may be loaned to the Secretary of Agriculture to carry out the agricultural conservation program. Borrowings in 1967 are expected to be lower due to smaller program.)

Cropland adjustment program 351	Exp.	----------	30,000	−30,000	−60,000	(Corporation funds will be used in 1966 for carrying out the cropland adjustment program. Reimbursement to the Corporation is requested for the cropland adjustment program under the Agricultural Stabilization and Conservation Service.)
Transfer of long-staple cotton from national stockpile for sale by Commodity Credit Corporation 351	Exp.	11,792	−77	----------	77	(The Corporation is authorized to sell cotton released from the national stockpile. Proceeds, less costs incurred, are deposited in the Treasury as miscellaneous receipts.
Total, special activities financed by Commodity Credit Corporation.	NOA	99,945	22,577	37,373	14,796	
	Exp.	35,613	81,981	7,851	−74,130	
Total, Commodity Credit Corporation.	NOA	1,932,089	3,567,521	2,527,546	−1,039,975	
	Exp.	2,681,368	2,331,989	2,172,180	−159,809	
FOREIGN ASSISTANCE AND SPECIAL EXPORT PROGRAMS						Expenditures for the 5 following items are expenditures made by the Government (through Commodity Credit Corporation) in each year for the respective programs.
General and special funds:						
Public Law 480:						
Sale of commodities for foreign currencies 154	NOA	1,862,000	1,144,000	1,040,000	−104,000	Decrease is primarily due to lower wheat and cotton prices and lower ocean transportation costs. The volume of commodities shipped will be larger in 1967 than in 1966.
	Exp.	1,293,368	1,114,037	994,000	−120,037	
Grants of commodities for famine relief 154	NOA	220,453	298,500	[E] 200,000	−98,500	Decrease is primarily due to availability of prior year funds.
	Exp.	147,212	285,949	283,000	−2,949	
Losses on long-term sales contracts 154	NOA	235,000	215,500	377,000	161,500	Increase is primarily to reimburse CCC for excess prior years' costs.
	Exp.	200,198	301,166	262,000	−39,166	(Decrease is due primarily to lower wheat and cotton prices and reduced cotton shipments and higher repayments from foreign governments.)

[E] Includes $70 million to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
FOREIGN ASSISTANCE AND SPECIAL EXPORT PROGRAMS—Continued						
General and special funds—Continued						
International Wheat Agreement 351	NOA	81,838	27,544	60,000	32,456	Estimate for 1967 reimburses CCC for prior-year costs in excess of appropriations and covers export payments through July 31, 1966.
	Exp.	34,845	74,993	2,705	−72,288	
Bartered materials for supplemental stockpile 351	NOA	92,860	----------	13,000	13,000	1965 NOA was sufficient to cover all 1966 costs and a portion of 1967 costs. Expenditures are for value of strategic materials acquired by barter transferred to supplemental stockpile.
	Exp.	40,647	33,800	41,087	7,287	
Reimbursements to CCC in excess of or under (−) expenditures by CCC for programs.	Exp.	775,881	−124,401	107,208	231,609	(Expenditures shown above have been made by the Commodity Credit Corporation in advance of appropriations in some years. This adjustment line brings the total of this group to the amounts paid by the appropriations to the Corporation during each year.)
Subtotal	NOA	2,492,151	1,685,544	1,690,000	4,456	
	Exp.	2,492,151	1,685,544	1,690,000	4,456	
Increase or decrease (−) in amount owed by general fund to Commodity Credit Corporation.	Exp.	−775,881	124,401	−107,208	−231,609	In 1966, estimate indicates amount owed CCC by foreign assistance programs will go up from $33,248 thousand to $157,649 thousand. In 1967 it will be cut to $50,441 thousand.
Total, foreign assistance and special export programs.	NOA	4,492,151	1,685,544	1,690,000	4,456	
	Exp.	1,716,270	1,809,945	1,582,792	−227,153	
Total, Commodity Credit Corporation and foreign assistance and special export programs.	NOA	4,424,240	5,253,065	4,217,546	−1,035,519	
	Exp.	4,397,638	4,141,934	3,754,972	−386,962	

FEDERAL CROP INSURANCE CORPORATION						
Administrative and operating expenses 351	NOA	7,478	7,990 [B] 202	8,546	354	Increase is to extend crop insurance protection to at least 40 new counties.
	Exp.	7,518	8,145	8,509	364	
Public enterprise funds:						
Federal Crop Insurance Corporation fund 351	Exp.	903	3,479	1,688	−1,791	(Decrease is due primarily to increase in receipt of insurance premiums.)
Limitation on administrative expenses.		(3,638)	(4,000)	(4,000)	----------	
Total, Federal Crop Insurance Corporation.	NOA	7,478	7,990 [B] 202	8,546	354	
	Exp.	8,421	11,624	10,197	−1,427	
RURAL ELECTRIFICATION ADMINISTRATION						
General and special funds:						
Loans (authorization to spend debt receipts) 353	NOA	435,000	462,000	305,000 [A] −305,000	−462,000	The estimate of $305 million plus balances of previous years will provide for estimated loan commitments of $270 million for electrification and $85 million for telephone. Proposed legislation permits loan receipts to be used to reduce expenditures in 1966, and both NOA and expenditures in 1967.
	Exp.	380,582	370,000 [A] −189,000	380,000 [A] −196,000	3,000	
Salaries and expenses 353	NOA	11,934	11,934 [B] 268	12,202	----------	Estimate covers administrative expense of the rural electrification and telephone programs.
	Exp.	11,832	12,105	12,174	69	
Total, Rural Electrification Administration.	NOA	446,934	473,934 [B] 268	317,202 [A] −305,000	−462,000	
	Exp.	392,414	382,105 [A] −189,000	392,174 [A] −196,000	3,069	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
FARMERS HOME ADMINISTRATION						
General and special funds—Continued						
Rural water and waste disposal grants 352	NOA		20,000	26,000	6,000	The increase is for development grants to rural communities under 5,500 population.
	Exp.		20,000	21,000	1,000	
Rural renewal 352	NOA	1,200	1,200	1,200		Provides for program operations in 5 pilot project areas.
	Exp.	946	2,091	1,200	−891	
Rural housing for domestic farm labor 352	NOA		3,000	3,000		Grant assistance will be continued to nonprofit public or private organizations for low-rent housing and related facilities.
	Exp.		3,000	3,000		
Rural housing grants 352	NOA			4,000	4,000	Increase is for repair and improvement grants to rural residents having low incomes.
	Exp.	2,318		4,000	4,000	
Salaries and expenses 352	NOA	41,558	48,461 [B]1,200	51,600	1,939	Increase is mainly to provide for administrative costs of increased rural water and waste disposal system and real estate loan programs.
	Exp.	41,333	49,011	51,000	1,989	
Public enterprise funds:						
Direct loan account 352	NOA	7,100				Receipts and balances will finance an estimated loan program of $397.1 million in 1967.
	Exp.	67,971	−26,794	51,779	78,573	
Rural housing direct loan account 352	NOA	5,000	2,500		−2,500	No appropriation is necessary in 1967 to fund this newly established direct loan account. Program level in 1967 is estimated at $15 million.
Authorization to spend debt receipts.	NOA	150,000				
	Exp.	133,346	16,575	−27,953	−44,528	
Rural housing insurance fund 352	NOA		100,000		−100,000	Receipts and balances will finance estimated $375 million program in 1967.
	Exp.		31,350	−8,625	−39,975	
Emergency credit revolving fund 352	Exp.	30,257	3,024	3,118	94	(Receipts and balances will finance a loan program of $64 million and administrative expenses of $4 million in 1967.)

Agricultural credit insurance fund 352	Exp.	9,000	2,141	−102,555	−104,696	(Sale of loans will increase in 1967. Contingent liabilities for insured loans as of June 30, 1967, is estimated to be $1,385 million.)
Sale of certificates of participation 352	Exp.	----------	----------	[A] −549,000	−549,000	(Legislation will be proposed to sell certificates of participation in FHA direct loans.)
Total, Farmers Home Administration 352	NOA	204,858	175,161 [B] 1,200	85,800	−90,561	
	Exp.	285,171	100,398	−4,036 [A] −549,000	−653,434	
RURAL COMMUNITY DEVELOPMENT SERVICE						
General and special funds:						
Salaries and expenses 355	NOA	182	625 [B] 12	3,468	2,831	Increase provides for additional personnel and other administrative services to strengthen the coordination and liaison efforts related to developing the economy of rural areas.
	Exp.	125	660	3,328	2,668	
Intragovernmental funds:						
Advances and reimbursements 355	Exp.	148	143	15	−128	
Total, Rural Community Development Service.	NOA	182	625 [B] 12	3,468	2,831	
	Exp.	274	803	3,343	2,540	
OFFICE OF THE INSPECTOR GENERAL						
General and special funds:						
Salaries and expenses 355	NOA	10,116	10,468 [B] 145	11,602	989	Estimate provides for expanded departmentwide audit and investigation services.
	Exp.	9,703	10,584	11,567	983	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
OFFICE OF THE GENERAL COUNSEL						
General and special funds—Continued						
Salaries and expenses.....355	NOA	4,039	4,184 B 102	4,325	39	Estimate provides for legal services to the Department's programs.
	Exp.	3,965	4,273	4,319	46	
OFFICE OF INFORMATION						
Salaries and expenses.....355	NOA	1,689	1,889 B 26	1,826	−89	An increase for additional personnel is more than offset by a nonrecurring 1966 printing expense.
	Exp.	1,698	1,919	1,838	−81	
NATIONAL AGRICULTURAL LIBRARY						
Salaries and expenses.....355	NOA	1,599	1,699 B 36	2,501	766	Increase is due primarily to the expansion of services to scientists and automation of library systems.
	Exp.	1,508	1,777	2,428	651	
Library facilities.....355	NOA	.....	7,000	.....	−7,000	Decrease reflects nonrecurring construction funds. The new library is scheduled for completion in 1968.
	Exp.	119	2,004	3,400	1,396	
Total, National Agricultural Library.	NOA	1,599	8,699 B 36	2,501	−6,234	
	Exp.	1,627	3,781	5,828	2,047	
OFFICE OF MANAGEMENT SERVICES						
Salaries and expenses.....355	NOA	2,483	2,483 B 59	2,687	145	Provides central financing of management services for a number of smaller agencies. Increase is for additional personnel.
	Exp.	2,401	2,541	2,681	140	

GENERAL ADMINISTRATION						
Salaries and expenses 355	NOA	**3,553**	**3,848** **[B] 80**	**3,959**	**31**	The estimate will maintain the current level in the Office of the Secretary and staff offices.
	Exp.	3,487	3,838	3,959	121	
Intragovernmental funds:						
Working capital fund 355	Exp.	41	97	54	−43	
Total, general administration	NOA	**3,553**	**3,848** **[B] 80**	**3,959**	**31**	
	Exp.	3,528	3,935	4,013	78	
NATIONAL ADVISORY COMMISSION ON FOOD AND FIBER						
General and special funds:						
Expenses 355	NOA	----------	----------	**645**	**645**	The estimate will finance the central expenses of the recently established National Advisory Commission on Food and Fiber
	Exp.	----------	----------	645	645	
FOREST SERVICE						
Forest protection and utilization 402	NOA	**226,572**	**216,292** **[A] 10,000** **[B] 2,790**	**225,188**	**−3,894**	Supplemental is for fighting forest fires. Decrease in 1967 results from nonrecurring construction partially offset by increases for recreation fa.ilities, land classifications, adjustments and surveys, and water resource development.
	Exp.	216,349	217,725 [A] 10,000	222,640	−5,085	
Cooperative range improvements (special fund) 402	NOA	**700**	**700**	**700**	----------	These funds are advanced to and merged with the appropriation "Forest protection and utilization."
	Exp.	700	700	700	----------	
Forest roads and trails 402						
Contract authorization:						
Current	NOA	**123,000**	----------	**[D] 85,000**	----------	Program will construct or reconstruct about 1,605 miles of multipurpose roads.
Permanent	NOA	----------	**85,000**	----------		
Liquidation of contract authorization.		(75,972)	(101,172) [B] (964)	(102,530)	(394)	(Increase in 1967 results from repair of Pacific Northwest flood damage.)
	Exp.	80,458	111,085	102,530	−8,555	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.
[D] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF AGRICULTURE—Continued						
FOREST SERVICE—Continued						
General and special funds—Continued						
Access roads 402	Exp.	438	981		−981	(Prior balances will acquire interest in roads or rights-of-way; future activity will be financed in forest roads and trails.)
Acquisition of lands for national forests:						
Special acts (special fund) 402	NOA	70	80	80		Certain forest receipts otherwise payable to counties in Utah, Nevada, and California are used to acquire lands within national forests.
	Exp.	48	75	80	5	
Uinta National Forest 402	NOA			300	300	Provides for the purchase of land within the Uinta National Forest as authorized by Public Law 89–226.
	Exp.			275	275	
Wasatch National Forest 402	NOA	150				(Approximately 10,000 acres of land have been acquired and completes the 1965 appropriation authorization.)
	Exp.	48	347		−347	
Superior National Forest 402	Exp.	371	630		−630	
Cache National Forest 402	Exp.		41		−41	
Assistance to States for tree planting 402	NOA	1,000	1,000	1,000		Aid is given, mainly through grants for reforestation work.
	Exp.	1,060	1,030	1,000	−30	
Timber development organization loans and technical assistance 402	NOA	1,000		500	500	The estimate provides for loans and technical assistance to individuals in the Appalachian region.
	Exp.		650	800	150	

Expenses, brush disposal (permanent, indefinite, special fund) 402	NOA	9,551	8,500	8,600	100	Certain receipts from purchases of timber are applied to disposal of brush on cutover areas.
	Exp.	8,529	8,400	8,500	100	
Roads and trails for States, national forest funds (permanent, indefinite, special fund) 402	NOA	13,141	14,204	14,700	496	Permanent law makes available 10 percent of national forest receipts for construction and maintenance of roads and trails in national forests within the States from which the receipts were derived.
	Exp.	13,141	14,204	14,700	496	
Other Forest Service permanent appropriations 402	NOA	33,574	36,351	37,650	1,299	Provides generally for the use of a portion of the revenues from operations on national forests and national grasslands for, payment to States and counties to be used for schools and roads and trails.
	Exp.	33,578	36,378	37,659	1,281	
Intragovernmental funds:						
Advances and reimbursements 402	Exp.	39	179	----------	−179	
Working capital fund, Forest Service 402	Exp.	−1,709	−2,010	−1,867	143	
Total, Forest Service	NOA	408,760	362,127 [A] 10,000 [B] 2,790	373,718	−1,199	
	Exp.	353,050	390,415 [A] 10,000	387,017	−13,398	
Total, Department of Agriculture.	NOA	7,432,540	8,384,589 [A] 30,830 [B] 14,407	6,992,974 [A] −377,776	−1,814,628	
	Exp.	7,298,052	7,052,609 [A] −178,546 [B] 14,585	6,610,162 [A] −812,634 [B] 786	−1,090,334	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE						
GENERAL ADMINISTRATION						
General and special funds:						
Salaries and expenses 506	NOA	4,252	4,250 B 89	5,050	711	Increase provides for new analytic staff and for strengthening other staff.
	Exp.	4,260	4,120	4,790	670	
Participation in Century 21 Exposition 506	Exp.	16	36	----------	−36	(Activity completed in 1962. Expenditures are for settlement of outstanding claims.)
Participation in New York World's Fair 506	Exp.	2,390	956	----------	−956	(Fair closed in 1965. Expenditures are for settlement of outstanding claims.)
Public enterprise funds:						
Aviation war risk insurance revolving fund 501	Exp.	−7	7	10	3	(Contingent liability is estimated at $8,789 million.)
Intragovernmental funds:						
Working capital fund 506	Exp.	65	−27	−46	−19	
Advances and reimbursements 506	Exp.	−76	----------	----------	----------	
Total, general administration	NOA	4,252	4,250 B 89	5,050	711	
	Exp.	6,648	5,092	4,754	−338	

ECONOMIC DEVELOPMENT						
Appalachian Assistance						
General and special funds:						
Grants for local development districts and for research and demonstration 507	NOA	2,500		3,000	3,000	Estimate will provide (1) administrative expense grants for local development districts of 12 Appalachian States and (2) grants for research and demonstration projects. Program level in 1967 will increase by 120% over 1966, for which the appropriation was made in 1965.
	Exp.		1,400	3,000	1,600	
Supplemental grants-in-aid 507	NOA	45,000		35,000	35,000	Increased Federal contributions will be available for otherwise authorized grant-in-aid programs. Estimate, with anticipated unobligated balances, will provide $50 million in 1967, an increase of $20 million over 1966 level.
	Exp.		3,600	16,700	13,100	
Total, Appalachian assistance.	NOA	47,500		38,000	38,000	
	Exp.		5,000	19,700	14,700	
Economic Development Administration						
Development facilities grants 507	NOA		203,200	175,140	−28,060	Direct and supplementary grants, up to 80% of project cost, will be available to State, local, or nonprofit organizations. These grants will improve opportunities for the successful establishment or expansion of industrial or commercial facilities.
	Exp.		7,000	67,500	60,500	
Technical and community assistance 507	NOA		18,121	27,245	9,124	Estimate provides aid to communities, and districts in their planning for economic development by planning grants, technical assistance, and special direct assistance.
	Exp.		10,000	20,000	10,000	
Economic development centers assistance 507	NOA			40,000	40,000	New program authorized to be initiated in August 1966. Estimate provides for grants and loans for about 500 projects, including projects in designated economic development centers which are not depressed but are within a development district.
	Exp.			4,000	4,000	

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
ECONOMIC DEVELOPMENT—Continued						
Economic Development Administration—Continued						
Public enterprise funds:						
Economic development revolving fund 507	NOA	59,500	105,000	85,000	−20,000	The estimate provides low-interest, long-maturity loans for the construction of commercial, industrial, and development facilities. Program level is approximately the same in 1967 as in 1966, but less NOA will be required because loan receipts will be used as authorized by law.
	Exp.	55,160	55,000	60,000	5,000	
Total, Economic Development Administration.	NOA	59,500	326,321	327,385	1,064	
	Exp.	55,160	72,000	151,500	79,500	
Area Redevelopment Administration						
General and special funds:						
Operations 507	NOA	13,700	----------	----------	----------	Program replaced by the Economic Development Administration.
	Exp.	12,435	5,000	660	−4,340	
Grants for public facilities 507	Exp.	8,407	6,000	6,000	----------	(Expenditures are for projects approved in 1963.)
Total, Area Redevelopment Administration.	NOA	13,700	----------	----------	----------	
	Exp.	20,842	11,000	6,660	−4,340	
Regional Planning Assistance						
Regional economic planning 507	NOA	----------	6,100	7,550	1,450	The estimate provides technical and planning assistance for multi-State regions for economic development.
	Exp.	----------	2,000	5,491	3,491	

Office of Business Economics						
Salaries and expenses 506	NOA	2,382	2,500 [B] 50	2,965	415	Increase is primarily to provide new source data and analyses for balance of payments; to approximately double the number of industries in the input-output analyses; and to initiate a project for the measurement of national wealth.
	Exp.	2,275	2,447	2,803	356	
Intragovernmental funds: Advances and reimbursements 506	Exp.	37				
Total, Office of Business Economics.	NOA	2,382	2,500 [B] 50	2,965	415	
	Exp.	2,312	2,447	2,803	356	
Bureau of the Census						
General and special funds: Salaries and expenses 506	NOA	15,210	15,398 [B] 320	16,165	447	Increase provides for development of the use of administrative records to obtain local area population and income data and for collecting current retail merchandise data.
	Exp.	14,971	15,800	15,997	197	
1964 census of agriculture 506	NOA	16,150	5,000 [B] 110	1,800	−3,310	The estimate provides for completion of tabulating and publishing of the general census of U.S. farms.
	Exp.	15,615	5,400	1,748	−3,652	
Preparation for 19th decennial census 506	NOA	1,113	2,200	2,950	750	The estimate provides for preparation of geographic material, feasibility tests and planning for the 19th decennial census.
	Exp.	972	1,120	3,000	1,880	
1967 economic census 506	NOA	----------	1,150	3,230	2,080	Estimate provides for development of plans and for a precanvass in preparation for a census to collect economic data covering calendar year 1967.
	Exp.	----------	1,000	3,148	2,148	
1967 census of governments 506	NOA	----------	200	1,390	1,190	Estimate provides for collection, counting and identification of data obtained from local government units.
	Exp.	----------	150	1,307	1,157	
Registration and voting statistics 506	NOA	----------	3,750	----------	−3,750	Estimate anticipates completion of surveys under Voting Rights Act of 1965.
	Exp.	----------	800	392	−408	

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
ECONOMIC DEVELOPMENT—Continued						
Bureau of the Census—Continued						
General and special funds—Continued						
Modernization of computing equipment 506	NOA	----------	----------	2,000	2,000	Estimate provides for additional computer memory capability to handle higher workload of future censuses.
	Exp.	293	17	1,500	1,483	
1963 censuses of business, transportation, manufactures, and mineral industries 506	NOA	7,000	----------	----------	----------	(Activity substantially completed in prior years.)
	Exp.	6,223	2,713	300	−2,413	
1962 census of governments 506	Exp.	68	----------	----------	----------	(Activity completed in prior years.)
18th decennial census 506	Exp.	4	3	----------	−3	(Activity completed in prior years.)
Intragovernmental funds:						
Advances and reimbursements 506	Exp.	−350	----------	----------	----------	
Total, Bureau of the Census	NOA	**39,473**	**27,698** [B]**430**	**27,535**	**−593**	
	Exp.	37,796	27,003	27,392	389	
Business and Defense Services Administration						
General and special funds:						
Salaries and expenses 506	NOA	4,959	5,200 [B]125	5,520	195	Industrial and commerical data are analyzed and appraised for use by business and Government.
	Exp.	4,824	5,112	5,213	101	

Office of Trade Adjustment						
Trade adjustment assistance..506	Exp.	6	----------	----------	----------	
International Activities						
Salaries and expenses.....506	NOA	9,718	10,750 [B] 160	12,625	1,715	Increased emphasis will be devoted to the promotion of foreign commerce through trade missions and facilitation of American exporters in showing their products overseas at commercial exhibitions.
	Exp.	9,618	10,255	11,968	1,713	
Salaries and expenses (special foreign currency program)....506	NOA	----------	200	200	----------	Program utilizes excess foreign currencies in developing countries to display American goods at commercial trade fairs.
	Exp.	----------	170	200	30	
Export control.....508	NOA	4,735	4,675 [B] 100	4,950	175	Regulating exports of strategic commodities and policing export shipments (by the Bureau of Customs) will continue at about the same level.
	Exp.	4,639	4,697	4,811	114	
HemisFair 1968 Exposition...506	NOA	----------	125	----------	−125	Study on U.S. participation in the HemisFair 1968 Exposition to be held in San Antonio, Tex., will be completed.
	Exp.	----------	125	----------	−125	
Total, international activities	NOA	14,453	15,750 [B] 260	17,775	1,765	
	Exp.	14,257	15,247	16,979	1,732	
Office of Field Services						
Salaries and expenses.....506	NOA	4,132	4,200 [B] 90	4,525	235	Increase is for additional field staff to encourage and assist American businesses in initiating or expanding the export of their products.
	Exp.	4,110	4,181	4,309	128	
Community Relations Service						
Salaries and expenses.....506	NOA	1,100	1,300	2,000	700	Increase is to strengthen conciliation services authorized by the Civil Rights Act of 1964.
	Exp.	493	1,200	1,800	600	

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
ECONOMIC DEVELOPMENT—Continued						
U.S. Travel Service						
General and special funds—Continued						
Salaries and expenses.....506	NOA	3,000	3,000	4,700	1,700	Increase is to intensify and further develop efforts to encourage foreign residents to visit the U.S.A.
	Exp.	2,432	2,900	4,200	1,300	
Total, economic development..	NOA	190,199	392,069 B 955	437,955	44,931	
	Exp.	142,233	148,090	246,047	97,957	
SCIENCE AND TECHNOLOGY						
Environmental Science Services Administration						Note.—Programs of the former Weather Bureau, Coast and Geodetic Survey, and the National Bureau of Standards' Central Radio Propagation Laboratory have been consolidated into the new Environmental Science Services Administration. For comparative purposes, the italicized information brings together the new obligational authority and expenditures for all years under both the former and new organizations; the customary explanations of increases and decreases are also provided. Immediately following this comparison are the usual data for the new accounts being proposed and the old accounts being consolidated.
Salaries and expenses.....506	*NOA*	*91,848*	*95,823* *A 110* *B 1,603* *C 147*	*101,635*	*3,952*	Increase provides for maintenance and operation of new facilities, equipment and survey vessels, and for improvement of hazards warnings.
	Exp.	*90,172*	*95,812* *A 104*	*97,807* *A 6*	*1,897*	

Research and development 506	NOA	17,917	19,148 B 203 C 3	22,450	3,096	Support of research on weather modification, sea-air interaction, and environmental hazards is increased.
	Exp.	17,528	17,938	19,305	1,367	
Research and development (special foreign currency program) 506	NOA	500	500	500	----------	Excess foreign currencies will be used to study electromagnetic wave propagation, to improve environmental observations, and to improve environmental forecasting.
	Exp.	33	439	430	−9	
Facilities, equipment, and construction 506	NOA	10,468	4,149 C 2	7,025	2,874	Estimate continues modernization program, provides for replacement of an obsolete circulatory survey vessel, and provides for additional weather surveillance radars.
	Exp.	10,266	16,541	17,505	964	
Satellite operations 506	NOA	10,000	25,000 B 48	33,585	8,537	Estimate provides for continuation of an operational satellite system to observe meteorological conditions.
	Exp.	21,858	17,043	24,791	7,748	
Intragovernmental funds: *Advances and reimbursements* 506	Exp.	6	----------	----------	----------	
Total, Environmental Science Services Administration.	NOA	130,733	144,620 A 110 B 1,854 C 152	165,195	18,459	
	Exp.	139,863	147,773 A 104	159,838 A 6	11,967	

A Proposed for separate transmittal, other than pay increase supplemental.
B Proposed for separate transmittal, civilian pay increase supplemental.
C Proposed for separate transmittal, military pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
SCIENCE AND TECHNOLOGY—Continued						
Environmental Science Services Administration						Note.—As indicated above, the former Weather Bureau, Coast and Geodetic Survey, and the National Bureau of Standards' Central Radio Propagation Laboratory have been consolidated into the new Environmental Science Services Administration. The customary explanations of increases and decreases have been moved to the display immediately above to facilitate meaningful comparisons.
General and special funds:						
Salaries and expenses 506	NOA	----------	----------	**101,635**	**101,635**	
	Exp.	----------	----------	97,722	97,722	
Research and development 506	NOA	----------	----------	**22,450**	**22,450**	
	Exp.	----------	----------	19,300	19,300	
Research and development (special foreign currency program) 506	NOA	**500**	**500**	**500**	----------	
	Exp.	33	439	430	−9	
Facilities, equipment, and construction 506	NOA	----------	----------	**7,025**	**7,025**	
	Exp.	----------	----------	17,505	17,505	
Satellite operations 506	NOA	**10,000**	**25,000** [B] **48**	**33,585**	**8,537**	
	Exp.	21,858	17,043	24,791	7,748	
Intragovernmental funds:						
Advances and reimbursements 506	Exp.	6	----------	----------	----------	
Total, Environmental Science Services Administration.	NOA	**10,500**	**25,500** [B] **48**	**165,195**	**139,647**	
	Exp.	21,897	17,482	159,748	142,266	

Coast and Geodetic Survey					
General and special funds:					
Salaries and expenses.....506	NOA	**27,227**	**29,173** [A] **110** [B] **322** [C] **152**	.....	**−29,757**
	Exp.	27,781	29,213 [A] 104	22 [A] 6	−29,289
Construction of surveying ships 506	NOA	**9,000**	**1,687**	.....	**−1,687**
	Exp.	5,930	10,421	.....	−10,421
Construction and equipment..506	NOA	**575**	**770**	.....	**−770**
	Exp.	46	1,057	.....	−1,057
Total, Coast and Geodetic Survey.	NOA	**36,802**	**31,630** [A] **110** [B] **322** [C] **152**	.....	**−32,214**
	Exp.	33,757	40,691 [A] 104	22 [A] 6	−40,767
Weather Bureau					
Salaries and expenses.....506	NOA	**66,942**	**68,994** [B] **1,313**	.....	**−70,307**
	Exp.	64,712	68,580	63	−68,517
Research and development....506	NOA	**10,400**	**11,524** [B] **100**	.....	**−11,624**
	Exp.	10,011	10,608	5	−10,603
Establishment of meteorological facilities.....506	NOA	**725**	**1,500**	.....	**−1,500**
	Exp.	3,966	4,369	.....	−4,369
Total, Weather Bureau.....	NOA	**78,067**	**82,018** [B] **1,413**	.....	**−83,431**
	Exp.	78,689	83,557	68	−83,489

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[B] Proposed for separate transmittal, civilian pay increase supplemental.
[C] Proposed for separate transmittal, military pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
SCIENCE AND TECHNOLOGY—Con.						
Patent Office						
General and special funds—Continued						
Salaries and expenses.....506	NOA	**31,501**	**33,400** A 395 B 605	**35,935**	**1,535**	Increase provides for reduction of the backlog of pending patent applications. The supplemental in 1966 will provide for printing 5,000 additional patents maturing for issuance under the acceleration provisions of Public Law 89-83.
	Exp.	30,612	33,185 A 350	35,055 A 45	1,565	
Intragovernmental funds:						
Advances and reimbursements.506	Exp.	40	----------	----------	----------	
Total, Patent Office.....	NOA	**31,501**	**33,400** A 395 B 605	**35,935**	**1,535**	
	Exp.	30,652	33,185 A 350	35,055 A 45	1,565	
National Bureau of Standards						
General and special funds:						
Research and technical services 506	NOA	**30,844**	**33,743** B 500	**31,935**	**−2,308**	A decrease of $5.5 million resulting from transfer of Central Radio Propagation Laboratory to Environmental Science Services Administration is partially offset by increases to expand standard reference data and performance criteria efforts, provide more adequate services and research in data processing standards and computer sciences, and to operate new facilities at Gaithersburg, Md.
	Exp.	26,011	33,761	30,485	−3,276	

Research and technical services (special foreign currency program) 506	NOA	**500**	**500**	**500**	.....	Research grants will be made in excess foreign currencies to supplement domestic research, principally in standard reference data and basic scientific measurements.
	Exp.	644	713	567	−146	
Plant and facilities 506	NOA	**3,770**	**880**	**560**	**−320**	This partially finances weights and measures standards for States, and fully funds other acquisitions.
	Exp.	4,318	3,700	3,700	.....	
Construction of facilities 506	NOA	**5,800**	.....	**1,200**	**1,200**	This increase provides for the final increment of the Gaithersburg construction program.
	Exp.	24,532	20,873	8,790	−12,083	
Civilian industrial technology 506	Exp.	240	238	294	56	(Contract and grant programs, chiefly in textile research, is being completed.)
Salaries and expenses, Office of Technical Services 506	NOA	**1,167**	.....	.....	.....	(This activity was previously transferred to "Research and technical services.")
	Exp.	1,023	.....	.....	.....	
Intragovernmental funds:						
Working capital fund 506	Exp.	7,622	−411	614	1,025	(Estimated Government equity in the fund will be $167 million on June 30, 1967.)
Total, National Bureau of Standards.	NOA	**42,081**	**35,123** **[B]500**	**34,195**	**−1,428**	
	Exp.	64,390	58,874	44,450	−14,424	
Office of State Technical Services						
General and special funds:						
Grants and expenses 506	NOA	.....	**3,500**	**8,000**	**4,500**	Increase provides for full-year operation of program to make findings of science available to private enterprise.
	Exp.	.....	2,500	6,500	4,000	
Total, science and technology	NOA	**198,951**	**211,171** **[A]505** **[B]2,888** **[C]152**	**243,325**	**28,609**	
	Exp.	229,385	236,289 [A]454	245,843 [A]51	9,151	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.
[C] Proposed for separate transmittal, military pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
TRANSPORTATION						
Maritime Administration						
General and special funds—Continued						
Ship construction 502	NOA	124,900	132,150	85,000	−47,150	Estimate provides for 13 new ships. NOA decrease results from fewer new ships and change in financing acquisition of replaced ships.
	Exp.	92,632	110,621	91,530	−19,091	
Operating-differential subsidies:						
Contract authorization (permanent, indefinite) 502	NOA	212,901	190,000	185,000	−5,000	Voyages undertaken under subsidy contract are estimated at 1,611 in 1967, a decrease of 7 voyages from 1966.
Liquidation of contract authorization.		(187,500)	(180,000)	(175,000)	(−5,000)	
	Exp.	213,334	183,453	179,000	−4,453	
Research and development 502	NOA	9,500	6,500	7,500	1,000	Estimate will provide increased research to improve efficiency of U.S. merchant marine and support for nuclear ship *Savannah* operations.
	Exp.	5,292	9,300	8,820	−480	
Salaries and expenses 502	NOA	15,612	15,611 [B] 222	15,790	−43	Programs for administration, reserve fleet, and shipyards and warehouses will continue at approximately the 1966 level.
	Exp.	15,698	15,734	15,522	−212	
Maritime training 502	NOA	4,517	3,950 [B] 38	4,470	482	Increase is mainly to equip new library building at the Merchant Marine Academy.
	Exp.	3,710	4,258	4,504	246	
State marine schools 502	NOA	540	360	360	----------	Federal aid to State marine schools will continue at the 1966 level.
Contract authorization (permanent, indefinite).	NOA	1,324	1,240	1,275	35	
Liquidation of contract authorization.		(1,185)	(1,240)	(1,275)	(35)	
	Exp.	1,511	1,633	1,628	−5	

Public enterprise funds:						
Federal ship mortgage insurance fund 502	Exp.	−4,517	−3,219	−4,075	−856	(Guarantees involving a contingent liability of $488 million are estimated to be outstanding at the close of 1967.)
Vessel operations revolving fund 502	Exp.	2,250	1,517	−71	−1,588	(Fund is substantially self-supporting.)
War risk insurance revolving fund 502	Exp.	−98	−251	−132	119	(Contingent liability in the event of war is estimated at $13 billion.)
Intragovernmental funds:						
Advances and reimbursements 502	Exp.	6,916	7,188		−7,188	
Total, Maritime Administration.	NOA	**369,294**	**349,811** [B] **260**	**299,395**	**−50,676**	
	Exp.	336,728	330,234	296,726	−33,508	
Bureau of Public Roads						
General and special funds:						
Forest highways: 503						
Contract authorization:						
Current	NOA	**33,000**		[D] **33,000** [A] **−33,000**	**−33,000**	Legislation will be proposed to extend this program at the current level and to finance it from the highway trust fund.
Permanent	NOA		**33,000**			
Liquidation of contract authorization.		(32,000)	(32,000)	(33,000) [A] (−33,000)	(−32,000)	
	Exp.	32,500	32,367	33,000 [A] −33,000	−32,367	
Public lands highways: 503						
Contract authorization:						
Current	NOA	**7,000**		[D] **7,000** [A] **−7,000**	**−7,000**	Legislation will be proposed to extend this program at the current level and to finance it from the highway trust fund.
Permanent	NOA		**7,000**			
Liquidation of contract authorization.		(7,000)	(8,000)	(9,000) [A] (−9,000)	(−8,000)	
	Exp.	6,562	11,418	9,000 [A] −9,000	−11,418	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.
[D] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
TRANSPORTATION—Continued						
Bureau of Public Roads—Continued						
General and special funds—Continued						
Highway beautification.....503	NOA	.....	**70,750**	**91,750** A −**91,750**	−**70,750**	Separate appropriations for control of outdoor advertising and junkyards, landscaping and scenic enhancement, and administrative expenses, highway beautification, have been combined. Increase is mainly for the control of outdoor advertising and junkyards. Legislation will be proposed to finance these programs from the highway trust fund.
	Exp.	.....	11,810	67,690 A −67,690	−11,810	
Highway safety.....503	NOA	.....	**290**	**210** A −**210**	−**290**	It is anticipated that State highway safety standards will be established by the end of 1967. Legislation will be proposed to finance this program from the highway trust fund.
	Exp.	.....	190	310 A −310	−190	
Appalachian development highway system.....503	NOA	**200,000**	.....	**130,000**	**130,000**	Provides for continuation of program to build developmental highways, including access roads, in Appalachian region.
	Exp.	2	20,000	101,500	81,500	
Inter-American Highway.....152	NOA	**2,000**	**2,000**	.....	−**2,000**	Existing balances are adequate to permit the program to proceed on schedule.
Liquidation of contract authorization.		.....	(6,000)	.....	(−6,000)	
	Exp.	2,887	4,889	7,500	2,611	
Miscellaneous accounts.....503	Exp.	355	1,215	500	−715	
Trust funds:						
Limitation on general administrative expenses.		(48,350)	(51,950)	(57,600)	(5,650)	(Increase is largely for an expanded highway safety research program.)

Federal-aid highways (liquidation of contract authorization).		(3,898,250)	(3,898,400)	(3,970,000)	(71,600)	(Appropriation is to liquidate contract authorization and meet administrative expenses for interstate, primary, secondary, and urban highways. These costs are payable from the highway trust fund.)
Forest and public lands highways (liquidation of contract authorization).		----------	----------	[A] (42,000)	(42,000)	(Legislation will be proposed to finance these programs, including unexpended balances of prior year authorizations, from the highway trust fund in 1967.)
Highway beautification	NOA	----------	----------	[A] (151,000)	(151,000)	(Legislation will be proposed to finance these programs, including unexpended balances of prior year authorizations, from the highway trust fund in 1967.)
Intragovernmental funds:						
Advances and reimbursements 503	Exp.	1	11	----------	−11	
Total, Bureau of Public Roads	NOA	242,000	113,040	261,960 [A] −131,960	16,960	
	Exp.	42,307	81,900	219,500 [A] −110,000	27,600	
Transportation Research and Development						
General and special funds:						
Transportation research 506	NOA	2,000	3,000	3,200	200	Increase will provide for intensification of research programs to stimulate more efficient and dynamic transportation.
	Exp.	1,096	2,000	3,500	1,500	

[A] Proposed for separate transmittal, other than pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF COMMERCE—Continued						
TRANSPORTATION—Continued						
Transportation Research and Development—Continued						
General and special funds—Continued						
High-speed ground transportation research and development...506	NOA	----------	18,250	24,000	5,750	Estimate provides for demonstrations of improved rail service in the northeast corridor, and an increased level of research on new systems. Program was first authorized in 1966.
	Exp.	----------	4,000	17,000	13,000	
Total, transportation research and development.	NOA	2,000	21,250	27,200	5,950	
	Exp.	1,096	6,000	20,500	14,500	
Total, transportation.....	NOA	613,294	484,101 B 260	588,555 A −131,960	−27,766	
	Exp.	380,131	418,134	536,726 A −110,000	8,592	
Total, Department of Commerce.	NOA	1,006,696	1,091,591 A 505 B 4,192 C 152	1,274,885 A −131,960	46,485	
	Exp.	758,397	803,576 A 454 B 3,877 C 152	1,033,055 A −109,949 B 315	115,362	

DEPARTMENT OF DEFENSE—MILITARY

MILITARY PERSONNEL (Functional code 051)						
General and special funds:						
Military personnel, Army	NOA	**4,221,000**	**4,092,291** [A] **833,600** [C] **222,100**	**6,164,400**	**1,016,409**	Supplemental in 1966 is for special Vietnam costs. Increase in 1967 is partly for 74,650 added personnel. Average strength will be 1,206,574 in 1967.
	Exp.	4,221,402	4,465,000 [A] 535,000	5,930,000 [A] 20,000	950,000	
Military personnel, Navy	NOA	**3,074,000**	**3,055,000** [A] **318,500** [C] **182,600**	**3,652,100**	**96,000**	Supplemental in 1966 is for special Vietnam costs. Increase in 1967 is partly for 4,150 added personnel. Average strength will be 724,151 in 1967.
	Exp.	3,141,821	3,220,000 [A] 280,000	3,547,000 [A] 3,000	50,000	
Military personnel, Marine Corps	NOA	**750,500**	**749,900** [A] **184,600** [C] **42,400**	**1,183,200**	**206,300**	Supplemental in 1966 is for special Vietnam costs. Increase in 1967 is partly for 28,105 added personnel. Average strength will be 272,596 in 1967.
	Exp.	749,643	805,000 [A] 145,000	1,127,000 [A] 3,000	180,000	
Military personnel, Air Force	NOA	**4,461,100**	**4,393,800** [A] **219,300** [C] **227,600**	**5,015,800**	**175,100**	Supplemental in 1966 is for special Vietnam costs. Average strength will be 885,419 in 1967, an increase of 18,392.
	Exp.	4,548,922	4,673,000 [A] 127,000	4,928,000 [A] 2,000	130,000	
National Guard and Reserve personnel, Army.	NOA	**498,400**	**510,400** [A] **53,400** [C] **4,500**	**581,300**	**13,000**	Supplemental in 1966 is for special Vietnam costs. Plans are to reduce year-end paid drill strength from 688,500 to 580,000. Increase in 1967 includes expanded active duty, college ROTC, and high school military training programs.
	Exp.	475,473	454,000 [A] 44,000	557,000 [A] 7,000	66,000	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY—Continued						
MILITARY PERSONNEL—Continued						
(Functional code 051)—Continued						
General and special funds—Continued						
National Guard personnel, Air Force.	NOA	64,900	71,300 [A] 5,700 [C] 3,500	80,800	300	Supplemental in 1966 is for special Vietnam costs. Program provides for an end strength of 79,800 in both 1966 and 1967.
	Exp.	65,481	70,000 [A] 5,000	75,500 [A] 500	1,000	
Reserve personnel, Navy	NOA	99,200	105,100 [C] 4,600	111,900	2,200	Increase in 1967 includes provision for initiation of a secondary school military training program. Program provides for an end strength of 126,000 in both 1966 and 1967.
	Exp.	98,764	103,000	105,500	2,500	
Reserve personnel, Marine Corps	NOA	30,900	33,000 [A] 2,200 [C] 1,600	36,500	−300	Supplemental in 1966 is for special Vietnam costs. Program provides for an end strength of 48,000 in both 1966 and 1967.
	Exp.	30,428	32,300 [A] 2,000	34,400 [A] 100	200	
Reserve personnel, Air Force	NOA	56,856	60,500 [A] 2,700 [C] 1,200	69,700	5,300	Supplemental in 1966 is for special Vietnam costs. Year-end paid drill strength will increase from 47,800 to 50,800. Estimate supports an expanded college ROTC program and a new high school military training program.
	Exp.	54,689	58,000 [A] 2,000	59,500 [A] 500	----------	

Retired pay, Defense	NOA	1,399,000	1,529,000 [C]71,000	1,780,000	180,000	Increase in 1967 is for an average of 567,462 retired personnel, as compared with 512,821 in 1966.
	Exp.	1,384,286	1,579,700	1,750,000	170,300	
Total, military personnel	NOA	14,655,856	14,600,291 [A]1,620,000 [C]761,100	18,675,700	1,694,309	
	Exp.	14,770,910	15,460,000 [A]1,140,000	18,113,900 [A]36,100	1,550,000	
OPERATION AND MAINTENANCE						
(Functional code 051)						
Operation and maintenance, Army.	NOA	3,545,952	3,434,067 [A]1,077,200 [B]33,400	5,009,000	----------	
Liquidation of contract authorization.		----------	(54,044)	----------	(−54,044)	(The $54 million for liquidation of contract authority will cover obligations incurred in excess of appropriations during the Berlin crisis in 1962, as authorized by section 612(c), Department of Defense Appropriation Act, 1962.)
Less: Army Reserve and Reserve Officers' Training Corps items requested under "Operation and maintenance, Army National Guard and Reserve" for 1967.		−95,594	−115,600	----------	----------	
Comparative NOA		3,450,358	4,429,067	5,009,000	579,933	Supplemental in 1966 is for special Vietnam costs. Increase reflects support costs for a rise in force level and activities in Southeast Asia, partially offset by the transfer of Reserve Forces' costs from this appropriation to "Operation and maintenance, Army National Guard and Reserve."
	Exp.	3,492,293	3,320,000 [A]860,000	4,550,000 [A]180,000	----------	
Less: Expenditures related to NOA comparative deduction above.		−85,447	−113,000	−10,000	----------	
Comparative expenditures		3,406,846	4,067,000	4,720,000	653,000	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY—Continued						
OPERATION AND MAINTENANCE—Con.						
(Functional code 051)—Continued						
General and special funds—Continued						
Operation and maintenance, Navy.	NOA	3,252,174	3,292,137 [A] 506,000 [B] 23,000	3,982,900	161,763	Supplemental in 1966 is for special Vietnam costs. Increase in 1967 primarily reflects additional nuclear-powered and guided-missile ships, and greater ship modernization and modification. Southeast Asia funding drops slightly due to large nonrecurring costs of activating ships and units in 1966.
	Exp.	3,171,633	3,310,000 [A] 390,000	3,740,000 [A] 100,000	140,000	
Operation and maintenance, Marine Corps.	NOA	195,020	192,101 [A] 102,600 [B] 1,054	325,600	29,845	Supplemental in 1966 is for special Vietnam costs. Increase reflects support costs for higher force level and activities in Southeast Asia.
	Exp.	199,595	186,000 [A] 75,000	275,000 [A] 25,000	39,000	
Operation and maintenance, Air Force.	NOA	4,622,331	4,403,737 [A] 544,900 [B] 27,600	4,942,600	−33,637	Supplemental in 1966 is for special Vietnam costs. Decrease is due to phaseout of older bombers, tanker and interceptor aircraft, and elimination of bases no longer required, partially offset by full-year effect of higher force levels and activity rates in Southeast Asia.
	Exp.	4,524,137	4,342,300 [A] 450,000	4,692,000 [A] 78,000	−22,300	
Operation and maintenance, Defense agencies.	NOA	517,994	683,680 [A] 41,769 [B] 14,356	808,100	68,295	Supplemental in 1966 is for special Vietnam costs. Increase in 1967 reflects full-year effect of contract audit and administration functions transferred from the military departments.
	Exp.	490,294	668,000 [A] 35,000	745,000 [A] 5,000	47,000	

Operation and maintenance, Army National Guard and Reserve.	NOA	191,424	208,796 [A] 35,700 [B] 2,000	340,600	.....	
Add: Army Reserve and Reserve Officers' Training Corps items appropriated under "Operation and maintenance, Army" for 1965 and 1966.		95,594	115,600	.....	.....	
Comparative NOA		287,018	362,096	340,600	−21,496	Decrease reflects a reduction in year-end paid drill strength from 688,500 to 580,000 and elimination of one-time 1966 costs of clothing, equipment, and repair parts.
	Exp.	188,271	207,800 [A] 33,000	308,000 [A] 2,000	.....	
Add: Expenditures related to comparative NOA addition above.		85,447	113,000	10,000	.....	
Comparative expenditures		273,718	353,800	320,000	−33,800	
Operation and maintenance, Air National Guard.	NOA	233,196	238,000 [A] 8,100 [B] 1,000	250,200	3,100	Increase supports a higher flying-hour program.
	Exp.	235,928	233,890 [A] 5,000	239,000 [A] 1,000	1,110	
National Board for the Promotion of Rifle Practice, Army.	NOA	484	459	494	35	Program in 1967 will assist about 5,900 clubs and schools to promote interest in small arms marksmanship.
	Exp.	454	450	485	35	
Claims, Defense	NOA	23,000	24,000	25,000	1,000	A higher level of claims is expected as the military buildup proceeds.
Reappropriation	NOA	6,000				
	Exp.	28,614	24,000	24,800	800	
Contingencies, Defense	NOA	15,000	15,000	15,000	.....	This account provides the Secretary of Defense with funds to meet emergencies and extraordinary expenses.
	Exp.	6,976	10,000	10,000	.....	
Court of Military Appeals, Defense.	NOA	579	579 [B] 11	600	10	Caseload is expected to rise as the number of men in uniform increases.
	Exp.	548	580	595	15	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY—Continued						
OPERATION AND MAINTENANCE—Con.						
(Functional code 051)—Continued						
General and special funds—Continued						
Miscellaneous expired accounts...	Exp.	9,975	8,980	4,120	−4,860	
Total, operation and maintenance	NOA	**12,603,155**	**12,492,556** **[A] 2,316,269** **[B] 102,421**	**15,700,094**	**788,848**	
	Exp.	12,348,718	12,312,000 [A] 1,848,000	14,589,000 [A] 391,000	820,000	
PROCUREMENT						
(Functional code 051)						
Procurement of equipment and missiles, Army.	NOA	**1,782,996**	**1,709,300** **[A] 2,465,000**	**[F] 3,311,100**	**−863,200**	Supplemental in 1966 is for equipment and munitions for special Vietnam support. In 1967, provision is made for achieving inventory objectives and accelerating the rate of inventory modernization; decrease reflects heavy 1966 funding of special Vietnam costs.
	Exp.	1,764,065	1,960,000 [A] 310,000	1,935,000 [A] 1,285,000	950,000	
Procurement of aircraft and missiles, Navy.	NOA	**2,551,858**	**2,410,587** **[A] 764,500**	**[D] 1,789,900**	**−1,385,187**	Supplemental in 1966 is for special Vietnam costs for aircraft, missiles, spares, and support equipment to replace combat losses. Decrease in 1967 reflects achievement of inventory objectives for carrier interceptor aircraft with prior year funds.
	Exp.	2,210,509	2,260,000 [A] 40,000	2,290,000 [A] 310,000	300,000	
Shipbuilding and conversion, Navy.	NOA	**1,905,376**	**1,590,500**	**[D] 1,751,300**	**160,800**	Fleet modernization and replacement will continue for anti-air, anti-submarine, amphibious, and mine warfare forces, and the underway replenishment forces. Increase includes funds for construction of a nuclear-powered aircraft carrier.
	Exp.	1,716,540	1,650,000	1,700,000	50,000	

Other procurement, Navy	NOA	**1,155,631**	**1,302,090** **[A]607,500**	**1,968,300**	**58,710**	Supplemental in 1966 results from special Vietnam costs for combat consumption. In 1967, modern ordnance and equipment is being procured both for normal fleet inventories, usage, and replacement, and for Southeast Asia requirements.
	Exp.	827,010	1,023,000 [A]52,000	1,165,000 [A]355,000	445,000	
Procurement, Marine Corps	NOA	**164,944**	**192,900** **[A]516,600**	**[G]262,900**	**−446,600**	Supplemental in 1966 is for equipment and munitions for special Vietnam support. Provision is made in 1967 for achieving inventory objectives; decrease reflects heavy 1966 funding of special Vietnam costs.
	Exp.	154,342	210,000 [A]70,000	245,000 [A]255,000	220,000	
Aircraft procurement, Air Force	NOA	**3,622,537**	**3,675,500** **[A]1,585,700**	**[D]3,961,300**	**−1,299,900**	Supplemental in 1966 is for special Vietnam costs for aircraft, spares, and support equipment to replace combat losses. The 1967 program includes continued modernization of tactical air wings, introduction of a new strategic bomber, and a further increase in airlift capability; the decrease reflects heavy 1966 funding of special Vietnam costs.
	Exp.	3,114,807	3,770,000 [A]130,000	3,050,000 [A]650,000	−200,000	
Missile procurement, Air Force	NOA	**1,715,200**	**775,900** **[A]63,700**	**[D]1,189,500**	**349,900**	Supplemental in 1966 is for special Vietnam costs. Total 1967 program is about the same as the 1966 program. Increase results from use of prior year funds in 1966.
	Exp.	1,320,192	1,192,000 [A]18,000	1,014,000 [A]41,000	−155,000	
Other procurement, Air Force	NOA	**875,296**	**1,189,700** **[A]1,016,400**	**2,122,600**	**−83,500**	Supplemental in 1966 is for special Vietnam costs for conventional ordnance and munitions. In 1967, procurement of conventional ordnance and cryptographic, warning, communications, and control systems will continue.
	Exp.	665,536	1,070,000 [A]75,000	1,256,000 [A]374,000	485,000	
Procurement, Defense agencies	NOA	**62,000**	**15,200**	**51,300**	**36,100**	Increase reflects procurement of automatic data processing equipment by the Defense Supply Agency to improve supply management.
	Exp.	42,216	35,000	40,000	5,000	
Aircraft and related procurement, Navy.	Exp.	24,121	15,000	5,000	−10,000	(Program needs are now provided in other appropriations above.)
Total, procurement	NOA	**13,835,838**	**12,861,677** **[A]7,019,400**	**16,408,200**	**−3,472,877**	
	Exp.	11,839,339	13,185,000 [A]695,000	12,700,000 [A]3,270,000	2,090,000	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.
[D] To carry out authorizing legislation to be proposed.
[F] Includes $1,308,200 thousand to carry out authorizing legislation to be proposed.
[G] Includes $21,400 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY—Continued						
RESEARCH, DEVELOPMENT, TEST, AND EVALUATION (Functional code 051)						
General and special funds—Continued						
Research, development, test, and evaluation, Army.	NOA	**1,401,767**	**1,433,988** A 27,995	D **1,518,900**	**56,917**	Supplemental in 1966 is for special Vietnam costs. Increase includes increased development effort on the Nike-X system, and continued emphasis on conventional and limited war systems.
	Exp.	1,344,396	1,396,000 A 4,000	1,420,000 A 15,000	35,000	
Research, development, test, and evaluation, Navy.	NOA	**1,388,253**	**1,513,130** A 52,570	D **1,748,600**	**182,900**	Supplemental in 1966 is for special Vietnam costs for developments such as aircraft-launched tactical missiles and fast deployment logistic ships. Increase in 1967 is mainly for expanded development of the Poseidon missile.
	Exp.	1,293,639	1,392,000 A 8,000	1,540,000 A 25,000	165,000	
Research, development, test, and evaluation, Air Force.	NOA	**3,175,300**	**3,181,956** A 71,085	D **3,053,800**	**−199,241**	Supplemental in 1966 is for special Vietnam costs for accelerated development and modification of equipment. Decreases for several large systems nearing the end of development, such as the F-111A, more than offset increases for such programs as the C-5A cargo transport and Minuteman III missile in 1967.
	Exp.	3,145,756	3,082,000 A 18,000	2,900,000 A 40,000	−160,000	
Research, development, test, and evaluation, Defense agencies.	NOA	**505,980**	**491,300**	D **459,059**	**−32,241**	Decrease reflects small reductions in a number of programs. Programs in ballistic missile defense, nuclear underground tests, nuclear test detection, remote area conflict, and aircraft penetration problems will continue.
	Exp.	452,425	470,000	450,000	−20,000	

Emergency fund, Defense	NOA	11,627	19,426	125,000	105,574	Funds are transferred to other appropriations for prompt exploitation of research and development opportunities. The 1965 and 1966 amounts are balances remaining after such transfers.
	Exp.	----------	----------	10,000	10,000	
Total, research, development, test, and evaluation.	NOA	6,482,926	6,639,800 [A] 151,650	6,905,359	113,909	
	Exp.	6,236,216	6,340,000 [A] 30,000	6,320,000 [A] 80,000	30,000	
MILITARY CONSTRUCTION						
(Functional code 051)						
Military construction, Army	NOA	345,193	411,443 [A] 509,700	[H] 190,600	−730,543	Supplemental in 1966 is for special Vietnam costs. Decrease in 1967 reflects reduced replacement of troop housing, bachelor officers quarters, and maintenance, administrative, and medical facilities. Financing for operations in Southeast Asia will decline due to heavy 1966 funding.
	Exp.	199,220	260,000 [A] 60,000	245,000 [A] 135,000	60,000	
Military construction, Navy	NOA	269,867	372,615 [A] 254,600	[I] 133,600	−493,615	Supplemental in 1966 is for special Vietnam costs. Decrease in 1967 reflects reduced replacement of troop housing, bachelor officers quarters, and training, medical and shipyard facilities. Financing for operations in Southeast Asia will decline due to heavy 1966 funding.
	Exp.	245,087	245,000 [A] 30,000	180,000 [A] 70,000	−25,000	
Military construction, Air Force	NOA	373,101	419,673 [A] 274,100	[J] 242,900	−450,873	Supplemental in 1966 is for special Vietnam costs. Decrease in 1967 reflects reduced replacement of troop housing, bachelor officers quarters, and administrative, medical, and research facilities. Financing for operations in Southeast Asia will decline due to heavy 1966 funding.
	Exp.	489,626	435,000 [A] 30,000	295,000 [A] 90,000	−80,000	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[D] To carry out authorizing legislation to be proposed.
[H] Includes $170,100 thousand to carry out authorizing legislation to be proposed.
[I] Includes $126,835 thousand to carry out authorizing legislation to be proposed.
[J] Includes $211,297 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY—Continued						
MILITARY CONSTRUCTION—Continued						
(Functional code 051)—Continued						
General and special funds—Continued						
Military construction, Defense agencies.	NOA	14,397	19,768 [A] 200,000	[K] 7,547	−212,221	Supplemental in 1966 is for facilities which may be needed in emergency situations. Decrease in 1967 reflects a lower level of modernization and replacement projects, and nonrecurrence of emergency facilities funding.
	Exp.	31,669	20,000 [A] 20,000	20,000 [A] 55,000	35,000	
Military construction, Army National Guard.	NOA	10,800	10,000	----------	−10,000	An expanded program in 1967 will be financed from balances transferred from Military Construction, Army Reserve.
	Exp.	11,094	8,000	8,700	700	
Military construction, Air National Guard.	NOA	14,000	10,000	[L] 9,400	−600	Estimate provides for an obligation program of $14 million, carrying forward uncompleted projects from the 1965 and 1966 programs.
	Exp.	13,805	10,000	10,000	----------	
Military construction, Army Reserve.	NOA	5,000	----------	----------	----------	Decrease from 1965 reflects transfer of Army Reserve facilities to the National Guard to be made in 1967.
	Exp.	5,958	2,000	300	−1,700	
Military construction, Naval Reserve.	NOA	7,000	9,500	[M] 5,400	−4,100	Estimate provides for an obligation program of $8 million, carrying forward the 1965 and 1966 programs.
	Exp.	6,813	6,000	6,000	----------	
Military construction, Air Force Reserve.	NOA	5,000	4,000	[N] 3,600	−400	Estimate provides for an obligation program of $7 million, carrying forward the 1965 and 1966 programs.
	Exp.	3,635	4,000	5,000	1,000	
Loran stations, Defense	NOA	5,000	5,000	----------	−5,000	No new facilities will be provided in 1967.
	Exp.	----------	10,000	----------	−10,000	
Total, military construction	NOA	1,049,358	1,261,999 [A] 1,238,400	593,047	−1,907,352	
	Exp.	1,006,908	1,000,000 [A] 140,000	770,000 [A] 350,000	−20,000	

FAMILY HOUSING						
(Functional code 051)						
Family housing, Defense	NOA	**631,151**	**665,846**	[D] **521,900**	**−143,946**	Decrease reflects deferral of construction programs to help meet higher priority requirements connected with Southeast Asia.
	Exp.	618,653	650,000	545,000	−105,000	
CIVIL DEFENSE						
(Functional code 051)						
Operation and maintenance, civil defense.	NOA	**74,985**	**64,066**	**76,100**	**12,034**	Increase is for balanced expansion of all civil defense activities, with special emphasis on strengthening State and local government operations.
	Exp.	58,204	66,000	60,000	−6,000	
Research, shelter survey and marking, civil defense.	NOA	**30,200**	**42,700**	**57,300**	**14,600**	Increase is primarily to test provision of low-cost, dual-use public fallout shelters in new construction projects.
	Exp.	34,486	33,750	39,500	5,750	
Construction of facilities, civil defense.	Exp.	35	250	500	250	(Balances are being used for Federal regional emergency operating center site surveys, planning and construction.)
Total, civil defense	NOA	**105,185**	**106,766**	**133,400**	**26,634**	
	Exp.	92,726	100,000	100,000	----------	
REVOLVING AND MANAGEMENT FUNDS						
(Functional code 051)						
Public enterprise funds:						
Defense production guarantees	Exp.	−2,484	−1,830	−845	985	(Revenues from loan collections, fees, and interest will exceed purchase cost of defaulted loans.)
Laundry service, Naval Academy.	Exp.	−14	−9	−8	1	(Estimate contemplates receipts and expenditures of about $740 thousand, slightly greater than those of 1966.)
Civil defense procurement fund	Exp.	−8	----------	----------	----------	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[D] To carry out authorizing legislation to be proposed.
[K] Includes $5,447 thousand to carry out authorizing legislation to be proposed.
[L] Includes $8,900 thousand to carry out authorizing legislation to be proposed.
[M] Includes $5,000 thousand to carry out authorizing legislation to be proposed.
[N] Includes $3,300 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—MILITARY—Continued						
REVOLVING AND MANAGEMENT FUNDS—Continued						
(Functional code 051)—Continued						
Intragovernmental funds:						
Army stock fund	Exp.	−100,427	102,744	−95,300	−198,044	(Sales will exceed purchases in 1967 reflecting the sale of stock not requiring replacement.)
Navy stock fund	Exp.	−2,598	43,400	−31,900	−75,300	(Sales will exceed purchases in 1967 reflecting the sale of stock not requiring replacement.)
Marine Corps stock fund	Exp.	−7,488	−17,414	5,640	23,054	(Increase in 1967 is due to liquidation of obligations incurred in 1966.)
Air Force stock fund	Exp.	28,211	−10,300	5,200	15,500	(Purchases will exceed sales in 1967 due to higher inventory requirements.)
Defense stock fund	Exp.	−191,872	67,800	14,200	−53,600	(Due to increased sales of stock not requiring replacement, purchases will not exceed sales by as much as in 1966.)
Army industrial fund	Exp.	729	2,200	15,300	13,100	(Expenditures will continue to exceed collections in 1967.)
Navy industrial fund	Exp.	−375,795	−73,500	−24,900	48,600	(Work performed in 1966 and 1967 will be partly financed from prepaid orders in prior years.)
Air Force industrial fund	Exp.	−4,540	−30,883	.....	30,883	(Operations will break even in 1967 after large collections in 1966 due to accelerated billing.)
Defense industrial fund	Exp.	998	−16,500	−1,700	14,800	(Expenditures will increase after surge in collections in 1966 due to accelerated billing.)

Army management fund	Exp.	−2,826				(Fund will operate at $428 million level in 1967.)
Navy management fund	Exp.	−83,122	−41,492	−1,187	40,305	(Total activity of $1.1 billion is forecast for 1967.)
Air Force management fund	Exp.	82	100	100		(Liquidation of prior year obligations continues.)
Defense agencies management fund.	Exp.	−27				(Fund will not be used in 1966 or 1967.)
Naval working fund	Exp.	415	400	400		(Estimate reflects an activity level of $18 million in 1967.)
Consolidated working funds, Army	Exp.	163	284		−284	(Account will be inactive in 1967.)
Total, revolving and management funds.	Exp.	−740,601	25,000	−115,000	−140,000	
Total, Department of Defense—Military.	NOA	**49,363,468**	**48,628,934** **[A]12,345,719** **[B]102,421** **[C]761,100**	**58,937,700**	**−2,900,474**	
	Exp.	46,172,869	48,236,000 [A]3,853,000 [B]94,000 [C]742,000	52,999,950 [A]4,127,100 [B]7,950 [C]15,000	4,225,000	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.
[C] Proposed for separate transmittal, military pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—CIVIL						
DEPARTMENT OF THE ARMY						
Cemeterial Expenses						
General and special funds:						
Salaries and expenses.....805	NOA	**15,164**	**13,739** [B] **67**	**15,098**	**1,292**	Increase reflects rise in headstone applications and cemetery construction and land development projects.
	Exp.	12,099	14,819	15,824	1,005	
Corps of Engineers—Civil						
General investigations.....401	NOA	**24,194**	**25,465**	**32,078**	**6,613**	Provides funds for 261 flood control, navigation, and beach erosion studies, of which 33 will be started in 1967. Comprehensive river basin surveys for the California, Lower Colorado, and Upper Colorado regions and special studies of the Chesapeake Bay and Northeast water supply needs will be started.
	Exp.	21,900	25,500	31,900	6,400	
Construction, general.....401	NOA	**956,956**	**994,179**	**970,726**	**−23,453**	Funds in 1967 will continue construction on 236 projects; 35 projects, costing $462 million, will be completed and 25 projects, costing $237 million, will be started. Preconstruction planning will continue on 71 projects and will be initiated on 27 projects.
	Exp.	860,648	926,917	967,950	41,033	
Operation and maintenance, general.....401	NOA	**162,423**	**175,762** [A] **2,200** [B] **907** [C] **13**	**183,158**	**4,276**	The supplemental in 1966 is for increased wage-board pay. Workload in 1967 involves maintenance of 482 projects.
	Exp.	182,431	175,850 [A] 1,900	183,000 [A] 300	5,550	
Flood control and coastal emergencies.....401	NOA	**14,150**	**12,000**	**7,000**	**−5,000**	Provides funds for emergency operations to combat flood disaster situations.
	Exp.	20,913	12,800	9,000	−3,800	

General expenses.....401	NOA	**16,163**	**16,537** [B]**361** [C]**24**	**17,898**	**976**	Increase provides for management and supervision of larger program workload and for strengthening planning, research direction, and program analysis capability.
	Exp.	15,947	16,860	17,850	990	
Flood control, Mississippi River and tributaries.....401	NOA	**77,862**	**84,942**	**77,100**	**−7,842**	Construction is continued on 10 major project features, and provision is made for project operation and essential maintenance.
	Exp.	73,623	83,300	78,000	−5,300	
Payments to States, Flood Control Act of 1954 (permanent, indefinite, special fund)....401	NOA	**1,959**	**1,828**	**1,928**	**100**	Three-fourths of receipts from lease of Federal lands acquired for flood control, navigation, and allied purposes are paid to States in which the projects are situated.
	Exp.	1,721	1,959	1,828	−131	
Corps of Engineers—Civil special expense funds (permanent, indefinite, special funds).....401	NOA	**172**	**172**	**172**	.....	Fees paid by mine operators for depositing mine debris in restraining works are used for their maintenance. Half of the receipts from Federal Power Commission licenses are used for maintenance of navigation improvements.
	Exp.	180	174	172	−2	
Intragovernmental funds:						
Advances and reimbursements, Corps of Engineers—Civil..401	Exp.	12	5	.....	−5	
Revolving fund, Corps of Engineers—Civil.....401	Exp.	−8,403	−265	.....	265	(The fund provides centralized services and facilities to agency programs.)
Total, Corps of Engineers—Civil.	NOA	**1,253,879**	**1,310,885** [A]**2,200** [B]**1,268** [C]**37**	**1,290,060**	**−24,330**	
	Exp.	1,168,972	1,243,100 [A]1,900	1,289,700 [A]300	45,000	
Ryukyu Islands, Army						
General and special funds:						
Administration.....910	NOA	**14,441**	**14,733** [B]**40**	**14,893**	**120**	Increase in 1967 reflects full-year costs of the civilian pay increase and 1966 wage board increases.
	Exp.	12,856	12,718	14,762	2,044	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.
[C] Proposed for separate transmittal, military pay increase supplemental.

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF DEFENSE—CIVIL—Continued						
DEPARTMENT OF THE ARMY—Con.						
Ryukyu Islands, Army—Continued						
General and special funds—Continued						
Construction of power systems 910	Exp.	3,297	916	----------	−916	(Expenditures are loans from prior-year funds, decreasing because of completion of Kin powerplant in 1965.)
Ryukyuan pretreaty claims 910	NOA	----------	[A] 21,040	----------	−21,040	Supplemental in 1966 is for payments to certain inhabitants of the islands for damages by U.S. Forces before the signing of the Japanese Peace Treaty.
	Exp.	----------	----------	[A] 8,200	8,200	
Total, Ryukyu Islands, Army	NOA	14,441	14,733 [A] 21,040 [B] 40	14,893	−20,920	
	Exp.	16,153	13,634	14,762 [A] 8,200	9,328	
THE PANAMA CANAL						
Canal Zone government: Operating expenses 910	NOA	29,960	31,000 [B] 404	33,762	2,358	Increase allows expanded operation of schools to accommodate added Zone-based military personnel and dependents and upgrading of health services.
	Exp.	28,600	31,297	33,542	2,245	
Capital outlay 910	NOA	4,821	9,000	4,186	−4,814	Provides $2,345 thousand for education facilities, $575 thousand for health and sanitation, and $1,266 thousand for other needs.
	Exp.	4,386	8,014	8,575	561	
Panama Canal Company: Thatcher Ferry Bridge 502	Exp.	327	38	----------	−38	(Bridge went into service in 1962 and 2 more approaches were constructed in 1965.)

Public enterprise funds:						
Panama Canal Company fund..502	Exp.	3,100	1,163	−1,928	−3,091	(Receipts from operations are expected to increase $2.1 million, while gross expenditures decline $1 million.)
Limitation on general and administrative expenses.		(10,824)	(11,000) B (137)	(12,569)	(1,432)	(Increase due mostly to initiation of an expanded training program.)
Total, The Panama Canal...	NOA	**34,781**	**40,000** B **404**	**37,948**	**−2,456**	
	Exp.	36,412	40,512	40,189	−323	
UNITED STATES SOLDIERS' HOME						
Trust fund:						
Operation and maintenance.....		(7,018)	(7,076) A (90) B (56)	(7,433)	(211)	(The supplemental in 1966 is for increased wage board pay. Increase in 1967 provides for a slight rise in domiciliary members and hospital patients, improved staffing, and physical improvements.)
Capital outlay.....		----------	----------	(3,575)	(3,575)	(Estimate provides a new wing for 366 additional domiciliary beds.)
MISCELLANEOUS ACCOUNTS						
General and special funds:						
Wildlife conservation, etc., military reservations (permanent, indefinite, special funds)...404	NOA	**174**	**203**	**204**	**1**	Fishing and hunting license fees are used to carry out a fish and game conservation program.
	Exp.	122	171	190	19	
Total, Department of Defense—Civil.	NOA	**1,318,439**	**1,379,560** A **23,240** B **1,779** C **37**	**1,358,203**	**−46,413**	
	Exp.	1,233,759	1,310,560 A 1,900 B 1,642 C 34	1,360,525 A 8,500 B 137 C 3	55,029	

A Proposed for separate transmittal, other than pay increase supplemental.
B Proposed for separate transmittal, civilian pay increase supplemental.
C Proposed for separate transmittal, military pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE						
FOOD AND DRUG ADMINISTRATION						
General and special funds:						
Salaries and expenses.....651	NOA	40,368	52,939	63,454	10,515	Provides for intensified efforts in review of new drug applications, regulation of drug sales, control of psycotoxic drugs, scientific information, and increased inspection of food imports.
	Exp.	40,033	49,800	60,000	10,200	
Buildings and facilities.....651	NOA	10,875	5,720	4,080	−1,640	A second headquarters laboratory building at Beltsville will be planned and additional equipment provided for district laboratories.
	Exp.	790	1,000	5,000	4,000	
Pharmacological-animal laboratory building.....651	Exp.	25	45	.....	−45	(Laboratory was completed in 1964.)
Public enterprise funds:						
Revolving fund for certification and other services.....651	Exp.	−199	284	−55	−339	(Industry fees finance the certification of antibiotic drugs, insulin, and color additives and the establishment of tolerances for pesticides.)
Total, Food and Drug Administration.	NOA	51,243	58,659	67,534	8,875	
	Exp.	40,649	51,129	64,945	13,816	
OFFICE OF EDUCATION						
General and special funds:						
Expansion and improvement of vocational education.....704	NOA	166,296	252,491 A 1,000	250,791	−2,700	Supplemental will initiate newly authorized student aid programs. 1967 estimate reflects reduction in work study assistance as the Neighborhood Youth Corps program assumes responsibility. Provides for planning of experimental residential vocational schools and for construction of vocational schools in Appalachia.
	Exp.	124,388	181,800 A 570	214,660 A 390	32,680	

Elementary and secondary educational activities.....701	NOA	.....	967,000 [A] 184,000	[D] 1,342,410	191,410	Supplemental will provide full amount required by States under existing law for education of disadvantaged children. Grants will increase in 1967 for this program, as well as for school library and textbooks, projects to supplement regular school instruction, and strengthening State education agencies, all authorized by 1965 Elementary and Secondary Education Act.
	Exp.	.....	295,000	1,016,000 [A] 184,000	905,000	
Higher educational activities: (Assistance for higher education).....702	NOA	.....	188,623 [A] 11,000	[O] 381,400	181,777	Supplemental will initiate college library program. Assistance will be expanded, under Higher Education Act of 1965, for financially needy students, college libraries, and strengthening of developing colleges.
	Exp.	.....	74,407 [A] 3,000	237,550 [A] 8,000	168,143	
(Other aids to education)..704	NOA	.....	30,000 [A] 13,200	93,872	50,672	Supplemental will initiate National Teacher Corps program. Assistance will be expanded for university community services, for teacher training, and teacher corps in 1967.
	Exp.	.....	3,000 [A] 1,000	51,000 [A] 12,000	59,000	
Total, higher educational activities.	NOA	.....	218,623 [A] 24,200	475,272	232,449	
	Exp.	.....	77,407 [A] 4,000	288,550 [A] 20,000	227,143	
Higher education facilities construction.....702	NOA	463,150	632,700	[D] 722,744	90,044	Additional construction loans for academic facilities is the principal reason for the increase. Proposed legislation will authorize sale of participation certificates in a loan pool.
	Exp.	3,588	147,000	396,000 [A] −85,000	164,000	
Further endowment of colleges of agriculture and the mechanic arts.....702	NOA	11,950	11,950	.....	−11,950	Grants to land-grant colleges are not being requested in recognition of increased support through other higher education assistance programs.
	Exp.	11,950	11,950	.....	−11,950	
Grants for public libraries....704	NOA	55,000	55,000	[D] 57,500	2,500	Library services will be extended to approximately 2.5 million additional people in 1967, and services will be improved for another 25 million. About 400 building projects will be under construction in 1966 and an additional 400 in 1967.
	Exp.	26,111	35,000	51,100	16,100	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[D] To carry out authorizing legislation to be proposed.
[O] Includes $30,000 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
OFFICE OF EDUCATION—Continued						
General and special funds—Continued						
Payments to school districts..701	NOA	332,000	347,000	183,400	−163,600	Proposed new legislation will decrease requirements. In 1967, payments will be made in support of 1.6 million children and 3,150 school districts affected by Federal activities, compared to 2.2 million children and 4,200 school districts in 1966.
	Exp.	311,413	307,000	222,000	−85,000	
Assistance for school construction.....701	NOA	58,400	50,078	22,937	−27,141	Legislation authorizing construction on behalf of children whose parents work on Federal property expires at the end of 1966. In 1967, approximately 1,000 classrooms for 29,000 pupils will be constructed for children whose parents both live and work on Federal property.
	Exp.	38,258	47,000	45,000	−2,000	
Defense educational activities:						
(Assistance for elementary and secondary education)....701	NOA	97,100	112,700	87,700	−25,000	Reduction in school equipment grants reflects more than compensatory increase of Federal school support under 1965 Elementary and Secondary Education Act. Grants to States for guidance programs continue at 1966 level.
	Exp.	67,875	81,000	79,000	−2,000	
(Assistance for higher education).....702	NOA	189,890	248,711	128,844 A −34,187	−154,054	Decrease from substitution of subsidized loan guarantees for direct loans more than offsets support for 15,000 graduate fellowships (10,494 in 1966). Proposed legislation terminates direct loan program, retaining teacher service cancellation.
	Exp.	158,324	214,000	127,200 A −34,187	−120,987	
(Other aids to education)..704	NOA	61,613	51,197	57,000	5,803	Teacher training institute programs will reach 28,000 participants in 1967.
	Exp.	44,084	25,000	48,800	23,800	
Total, defense educational activities.	NOA	348,603	412,608	273,544 A −34,187	−173,251	
	Exp.	270,283	320,000	255,000 A −34,187	−99,187	

Educational improvement for the handicapped.....704	NOA	16,500	25,500	32,600	7,100	Provides for increase in teacher training fellowships and research relating to education of handicapped children.
	Exp.	13,849	16,000	24,000	8,000	
Research and training.....704	NOA	15,840	70,000	80,000	10,000	Increase is for newly authorized educational laboratories, and expanded support for new course materials and research centers focusing on specific educational problems, such as education of the disadvantaged.
	Exp.	13,248	21,400	58,000	36,600	
Educational research (special foreign currency program)..704	NOA	500	1,000	1,800	800	Excess foreign currencies support research and training in foreign countries supplementing studies to improve education in the United States.
	Exp.	129	700	1,100	400	
Foreign language training and area studies.....704	NOA	1,500	2,000	3,500	1,500	Grants are awarded for study abroad, aimed at improving U.S. instruction in foreign languages and areas.
	Exp.	1,356	1,200	2,200	1,000	
Salaries and expenses.....704	NOA	20,128	30,136	41,563	11,427	Increases provide staff to administer new grant programs, expand educational data systems, and strengthen technical assistance and other field services.
	Exp.	17,732	29,000	39,300	10,300	
Civil rights educational activities.....704	NOA	8,000	5,000 [A]3,250	11,115	2,865	Supplemental in 1966 will finance additional training for alleviation of problems occasioned by desegragation of schools. Institutes for school personnel, grants to schools, and technical assistance will be expanded in 1967.
	Exp.	1,292	4,500 [A]1,500	7,250 [A]1,750	3,000	
Arts and humanities educational activities.....704	NOA	.....	1,000	1,000	.....	Grants to States for school equipment and teacher training institutes in the arts and humanities will continue at 1966 level.
	Exp.	.....	200	1,000	800	
Colleges for agriculture and the mechanic arts (permanent)..702	NOA	2,550	2,550	2,550	.....	Annual grants of $50,000 are made to each State and to Puerto Rico.
	Exp.	2,550	2,550	2,550	.....	
Promotion of vocational education, act of Feb. 23, 1917 (permanent, indefinite).....704	NOA	7,161	7,161	7,161	.....	Grants are made to States on a matching basis for training and paying salaries of teachers of agriculture, trade, home economics, and industrial subjects.
	Exp.	7,137	7,161	7,161	.....	

[A] Proposed for separate transmittal, other than pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
OFFICE OF EDUCATION—Continued						
Public enterprise funds:						
Student loan insurance fund..702	NOA	----------	500	3,200	2,700	Provides additional capital for approximately 100% increase in direct Federal guaranteed loans to students not having access to State or private loan insurance funds.
	Exp.	----------	23	200	177	
Intragovernmental funds:						
Advances and reimbursements..704	Exp.	−1,409	−57	13	70	
Total, Office of Education...	NOA	1,507,578	3,092,297 [A] 212,450	3,513,087 [A] −34,187	174,153	
	Exp.	841,875	1,504,834 [A] 6,070	2,631,084 [A] 86,953	1,207,133	
VOCATIONAL REHABILITATION ADMINISTRATION						
General and special funds:						
Grants for rehabilitation services and facilities.....659	NOA	100,100	132,310 [A] 39,000	259,060	87,750	Supplemental in 1966 provides first of 2-step increase in Federal matching rates resulting from legislation enacted in 1965. Funds for second step are included in 1967 as well as grants for construction of workshops and rehabilitation centers and payment of training allowances. An estimated 215,000 handicapped individuals will be rehabilitated in 1967; 25% more than in 1966.
	Exp.	95,661	121,000 [A] 39,000	250,000	90,000	
Research and training.....659	NOA	41,065	53,145	60,325	7,180	Supports 449 research and demonstration projects, 12,233 traineeships, 705 teaching grants, and 17 reserach and training centers.
	Exp.	37,057	49,000	55,500	6,500	
Research and training (special foreign currency program)..659	NOA	2,000	2,000	4,000	2,000	Excess foreign currencies in 8 countries support use of oversea facilities for rehabilitation research and the exchange of rehabilitation experts.
	Exp.	1,519	1,800	2,800	1,000	

Correctional Rehabilitation Study Act of 1965 659	NOA	----------	560	800	240	Provides Federal share of a 3-year research study of personnel practices and needs for rehabilitation of public offenders.
	Exp.	----------	555	800	245	
Salaries and expenses 659	NOA	3,232	3,875	5,082	1,207	Increase to administer expanded Federal grant program and strengthen specialized services to States and nonprofit grantees. Rehabilitation of social security disability beneficiaries are financed from trust funds.
	Exp.	3,086	3,800	4,950	1,150	
Limitation payable from old-age and survivors insurance trust funds.		----------	(115)	(299)	(184)	
Intragovernmental funds:						
Advances and reimbursements 659		−10	−1	−1	----------	
Total, Vocational Rehabilitation Administration.	NOA	146,397	191,890 [A] 39,000	329,267	98,377	
	Exp.	137,313	176,154 [A] 39,000	314,049	98,895	
PUBLIC HEALTH SERVICE						
General and special funds:						
Buildings and facilities 651	NOA	22,512	8,977	18,279	9,302	Provides $7.6 million for projects of the Bureau of State Services, $5.8 million for the Bureau of Medical Services, and $4.7 million for the National Institutes of Health.
	Exp.	16,519	25,000	23,000	−2,000	
Community Health						
Injury control 651	NOA	3,886	4,350	5,760	1,410	Increase is primarily for research, training, and technical services.
	Exp.	3,839	4,100	5,500	1,400	
Chronic diseases and health of the aged 651	NOA	53,908	83,070	86,659	3,589	Increases are provided principally for heart disease, cancer, stroke, and respiratory disease programs.
	Exp.	51,359	65,000	70,000	5,000	
Community health practice and research 651	NOA	33,230	87,169	103,228 [A] −20,900	−4,841	Provides increases for research grants, training of health personnel, and program to improve the health of domestic migrant agricultural workers and their families. Legislation will be proposed to authorize private, guaranteed, loans for students in health professions and nursing schools, as a substitute for the current direct loan program.
	Exp.	25,492	60,000	86,900 [A] −20,900	6,000	
Limitation payable from trust funds.		----------	(2,100)	----------	(−2,100)	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
PUBLIC HEALTH SERVICE—Continued						
Community Health—Continued						
General and special funds—Continued						
Communicable disease activities 651	NOA	29,974	40,470	44,230	3,760	Increase is primarily for expanded research and training, and for eradication of the *Aedes Aegypti* mosquito.
	Exp.	28,106	41,000	44,000	3,000	
Control of tuberculosis 651	NOA	10,932	15,661	20,605	4,944	Increase is for project grants to aid areas of high TB incidence.
	Exp.	9,464	15,000	18,000	3,000	
Control of venereal diseases 651	NOA	10,105	10,387	10,594	207	Estimate continues renewed effort to control venereal disease.
	Exp.	10,363	9,800	9,800	----------	
Dental services and resources 651	NOA	7,228	8,382	9,196	814	Increase is for training grants, 7 fellowships for research and further development of an epidemiological training program.
	Exp.	6,081	7,500	8,000	500	
Medical care services 651	NOA	----------	----------	10,389	10,389	Estimate is for aid to States and communities in developing home health services to implement Medicare. First-year funds are included in "Community health practice and research."
	Exp.	----------	----------	7,500	7,500	
Limitation payable from trust funds.		----------	----------	(3,512)	(3,512)	
Nursing services and resources 651	NOA	21,660	19,575	25,634	6,059	Increase provides for expansion of nurse traineeship program and for the support of hospital schools of nursing.
	Exp.	13,967	17,500	24,000	6,500	
Hospital construction activities 651	NOA	266,907	303,294	313,544	10,250	The estimate provides for an increase of $15 million (to $35 million) for modernization of hospitals, offset by a decrease of $5 million (to $135 million) for new general hospitals. Programs for other construction, project planning, and technical services will be maintained at substantially the 1966 level.
	Exp.	202,750	215,000	240,000	25,000	

Construction of health educational facilities.....651	NOA	**110,782**	**90,599**	**160,794**	**70,195**	Increase anticipates about 50% Federal participation in an expanded program of construction of additional teaching facilities.
	Exp.	10,452	25,000	45,000	20,000	
George Washington Hospital construction.....651	Exp.	768	1,607	125	−1,482	(Funds were appropriated in 1964, which should be fully expended by 1967.)
Construction of mental health facilities, Alaska.....651	Exp.	50	.....	.....	.....	(Construction completed in 1964.)
Total, community health....	NOA	**548,612**	**662,957**	**790,633** ^ **−20,900**	**106,776**	
	Exp.	362,691	461,507	558,825 ^ −20,900	76,418	
Environmental Health						
Environmental health sciences.651	NOA	**9,380**	**15,972**	**24,312**	**8,340**	Expands research and training grants programs including university institutes. Increases number of community studies to determine health effects of pesticides and provides staffing for new programs at National Environmental Health Sciences Center.
	Exp.	4,558	10,000	15,000	5,000	
Air pollution.....651	NOA	**20,995**	**26,622**	**35,577**	**8,955**	Increases training grants and research on the health effects and control of sulfur compounds and other pollutants. Steps up enforcement activities, including testing of emissions from automobiles, and technical assistance.
	Exp.	16,312	22,000	28,000	6,000	
Environmental engineering and sanitation.....651	NOA	**9,170**	**13,839**	**21,971**	**8,132**	Increased grants and direct operations continue expansion of solid waste disposal research, training, and planning activities. Increases environmental engineering and urban health planning activities.
	Exp.	8,253	11,300	16,500	5,200	
Occupational helath.....651	NOA	**5,194**	**5,837**	**6,345**	**508**	Increases research on work-related health hazards such as respiratory diseases of coal miners.
	Exp.	4,327	5,000	5,700	700	
Radiological health.....651	NOA	**19,720**	**20,928**	**20,404**	**−524**	Decrease because of nonrecurring expense for equipment offsets increase to improve the efficiency of medical and dental X-rays.
	Exp.	18,679	19,000	18,500	−500	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
PUBLIC HEALTH SERVICE—Continued						
Environmental Health—Continued						
General and special funds—Continued						
Environmental health activities 651	Exp.	10	7	.....	−7	(Activities now appear in other accounts.)
Total, environmental health..	NOA	**64,459**	**83,198**	**108,609**	**25,411**	
	Exp.	52,138	67,307	83,700	16,393	
Medical Services						
Hospitals and medical care....651	NOA	**55,064**	**58,199** A 153 B 669 C 487	**61,643**	**2,135**	Supplemental provides for wage board pay increases. The 1967 estimate provides for staffing increases to improve patient care and expand professional training.
	Exp.	54,481	57,857 A 143	60,990 A 10	3,000	
Foreign quarantine activities...651	NOA	**7,009**	7,435 A 60 B 128 C 30	**8,030**	**377**	Supplemental is for wage board pay increases. The 1967 estimate expands oversea visa examination to 5 new locations. Operating costs of visa examination are offset by fees deposited in the general fund of the Treasury.
	Exp.	6,919	7,440 A 60	7,900	400	
Indian health activities.....651	NOA	**62,940**	**66,172** A 371 B 730 C 268	**73,448**	**5,907**	Supplemental provides for wage board pay increases. Increases in 1967 permit improved hospital staffing, expansion of field health activities, higher number of patients in contract facilities and greater equipment replacement.
	Exp.	62,208	66,329 A 371	72,500	5,800	

Construction of Indian health facilities.....651	NOA	8,835	14,096	14,422	326	The 1967 estimate includes planning of 4 hospitals, and construction of 1 hospital, 37 sanitation projects and other miscellaneous health projects.
	Exp.	9,165	8,000	14,000	6,000	
Total, medical services.....	NOA	133,848	145,902 [A]584 [B]1,527 [C]785	157,543	8,745	
	Exp.	132,773	139,626 [A]574	155,390 [A]10	15,200	
National Institutes of Health						
General research and services..651	NOA	164,190	60,467	67,821	7,354	Increase initiates a cooperative medical research program with Japan and expands laboratory animals resources program.
	Exp.	124,532	86,900	77,246	−9,654	
National Institute of General Medical Sciences.....651	NOA	.....	127,186	137,175	9,989	Increase will emphasize special research in anesthesiology, diagnostic radiology, surgery, and biomedical engineering.
	Exp.	.....	68,952	77,342	8,390	
Biologics standards.....651	NOA	4,969	6,806	7,905	1,099	Increase is for expansion of studies of tumor-producing factors in vaccines and purchase of additional equipment.
	Exp.	4,335	6,410	7,729	1,319	
National Institute of Child Health and Human Development..651	NOA	42,696	55,023	61,448	6,425	The increase is principally for expansion of research grants in infant mortality and morbidity, reproduction, and mental retardation.
	Exp.	27,797	46,637	58,444	11,807	
National Cancer Institute....651	NOA	138,970	163,706	163,957	251	Increase is for expansion of research in radiation therapy and chemical causation of cancer.
Reappropriation.....	NOA	143				
	Exp.	113,814	127,241	147,118	19,877	
National Institute of Mental Health.....651	NOA	188,273	232,650	253,115	20,465	The increase is primarily for grants for staffing of community mental health centers and funding continuing programs at a slightly higher level.
	Exp.	149,262	179,369	195,324	15,955	
Construction of community mental health centers.....651	NOA	35,000	50,000	50,000	.....	Construction assistance will be provided to community mental health centers for a comprehensive range of services.
	Exp.	.....	1,600	24,957	23,357	

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[B] Proposed for separate transmittal, civilian pay increase supplemental.
[C] Proposed for separate transmittal, military pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
PUBLIC HEALTH SERVICE—Continued						
National Institutes of Health—Continued						
General and special funds—Continued						
National Heart Institute.....651	NOA	125,171	141,459	148,407	6,948	Increase will support more research grants and an expansion of research in the metabolism of fats and in the study of enzymes and compounds in an oxygen-free atmosphere.
Reappropriation.....	NOA	684				
	Exp.	97,432	132,559	146,592	14,033	
National Institute of Dental Research.....651	NOA	20,190	23,677	24,884	1,207	Increase will provide for expansion of activities in periodontal diseases and germ-free research.
	Exp.	15,374	21,520	24,174	2,654	
National Institute of Arthritis and Metabolic Diseases.....651	NOA	113,344	123,200	129,908	6,708	Increase permits continued development of an improved artificial kidney, expansion of direct research, and grant programs.
	Exp.	86,248	105,609	119,606	13,997	
National Institute of Allergy and Infectious Diseases.....651	NOA	70,100	77,986	85,702	7,716	Increase provides for expansion of studies in immunology, virology, tropical medicine, and vaccine development.
	Exp.	56,000	72,787	83,595	10,808	
National Institute of Neurological Diseases and Blindness.....651	NOA	88,089	101,144	106,418	5,274	Increase in grants and direct operations will strengthen programs of epilepsy, head injury, glaucoma, stroke, and deafness.
	Exp.	69,759	93,751	105,817	12,066	
Regional medical programs...651	NOA	.....	25,000	45,024	20,024	The increase is for increasing the number of grants for planning and operation of pilot projects for regional medical programs.
	Exp.	.....	5,000	35,024	30,024	
Grants for construction of health research facilities.....651	NOA	58,000	56,000	21,000	−35,000	Mental retardation facilities will be funded at prior year level; health research facility construction funds will emphasize construction of facilities at new or expanding medical schools.
	Exp.	34,312	38,234	41,756	3,522	

Special cancer research.....651	NOA	10,000	.....	.....	.....	(The program is being continued in the appropriation for the National Cancer Institute.)
	Exp.	220	8,255	218	−8,037	
Construction of mental health-neurology research facility..651	Exp.	20	3,111	5,058	1,947	(Expenditures are payments of prior obligations. Completion is scheduled for December 1967.)
Grants for cancer research facilities 651	Exp.	681	2,065	.....	−2,065	(Expenditures are payments of prior obligations.)
Total, National Institutes of Health.	NOA	1,059,820	1,244,304	1,302,764	58,460	
	Exp.	779,787	1,000,000	1,150,000	150,000	
Scientific activities overseas...651	NOA	1,000	5,000	19,217	14,217	Supports oversea scientific research through the use of excess foreign currency.
	Exp.	3,939	5,000	12,000	7,000	
National health statistics.....651	NOA	6,304	7,230	9,312	2,082	Provides for an increased health records statistics program and for the purchase of a computer.
	Exp.	5,896	7,200	8,100	900	
National Library of Medicine.651	NOA	3,958	5,509 [A] 4,175	19,231	9,547	1966 supplemental implements Medical Library Assistance Act. 1967 increase provides initial funding for construction of new libraries and further increases for research, training, and operating grants as authorized by the new act.
	Exp.	3,953	4,600 [A] 1,400	8,225 [A] 2,775	5,000	
Retired pay of commissioned officers (indefinite).....651	NOA	7,066	8,020	8,977	957	Retired officers will increase from 607 to 671, medical care of dependents of commissioned officers will also increase.
	Exp.	6,976	8,000	9,000	1,000	
Office of the Surgeon General, salaries and expenses.....651	NOA	6,214	6,858	8,207	1,349	Increases the analytical staff and provides for a facilities planning and construction service.
	Exp.	5,863	6,800	7,200	400	
Emergency health activities..059	NOA	8,875	.....	10,430	10,430	Reorients program toward greater use of existing community facilities and emphasizes adequate stocking of local hospitals. The 1966 program was financed from prior year funds.
	Exp.	12,631	10,000	10,000	.....	
Proposed health legislation...651	NOA	.....	.....	[A] 41,000	41,000	Proposed legislation is for increased support of health personnel training and planning and research for health care services and facilities.
	Exp.	.....	.....	[A] 23,000	23,000	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
PUBLIC HEALTH SERVICE—Continued						
Public enterprise funds:						
Operation of commissaries, narcotic hospitals 651	Exp.	7	15		−15	
Intragovernmental funds:						
Bureau of State Services management fund 651	Exp.	4				
National Institutes of Health management fund 651	Exp.	−1,293				
Service and supply fund 651	Exp.	−221	62	−43	−105	
Working capital fund, narcotic hospitals 651	Exp.	17	−7	−1	6	
General research support grants 651	Exp.	−28,897				(Advances and payments in 1966 and 1967 are expected to be equal.)
Advances and reimbursements 651	Exp.	−544	707	407	−300	
Total, Public Health Service	NOA	1,862,668	2,177,955 A 4,759 B 1,527 C 785	2,453,202 A 20,100	288,276	
	Exp.	1,352,238	1,735,817 A 1,974	2,025,803 A 4,885	292,897	

FEDERAL WATER POLLUTION CONTROL ADMINISTRATION						
General and special funds:						
Buildings and facilities.....651	NOA	.....	.....	4,624	4,624	Increase provides for demonstration of control of acid mine drainage at 6 sites and continued construction and equipping of regional water pollution control laboratories previously financed by Public Health Service.
	Exp.	.....	.....	10,000	10,000	
Water supply and water pollution control.....651	NOA	35,123	45,084	55,439	10,355	Accelerates program of comprehensive river basin planning for pollution control, steps up enforcement, abatement, and technical assistance activities. Increases research on advanced waste treatment and provides additional staffing for water quality standards laboratories.
	Exp.	31,135	41,000	50,000	9,000	
Grants for waste treatment works construction and sewer overflow control.....651	NOA	93,000	141,000	173,000	32,000	Provides full authorized amount for pollution control plants and for research and demonstration on the problem of combined sewers.
	Exp.	69,755	80,000	98,000	18,000	
Proposed pollution control legislation.....651	NOA	.....	.....	[A] 74,100	74,100	Provides for initiation of "Clean River" demonstration projects in selected river basins, strengthened enforcement procedures, and demonstration of advanced waste treatment techniques.
	Exp.	.....	.....	[A] 23,500	23,500	
Intergovernmental funds:						
Advances and reimbursements.651	Exp.	−66	−188	100	288	
Total.....	NOA	128,123	186,084	233,063 [A] 74,100	121,079	
	Exp.	100,824	120,812	158,100 [A] 23,500	60,788	
SAINT ELIZABETHS HOSPITAL						
General and special funds:						
Salaries and expenses (indefinite) 651	NOA	9,620	9,595 [A] 318 [B] 367	8,078	−2,202	Supplemental provides for wage board increase. The decrease in 1967 results from an anticipated increase in reimbursements of $2.3 million for care of patients of the District of Columbia.
	Exp.	9,309	9,482 [A] 318	7,500	−2,300	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.
[C] Proposed for separate transmittal, military pay increase supplemental.

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
SAINT ELIZABETHS HOSPITAL—Con.						
General and special funds—Continued						
Buildings and facilities.....651	NOA	2,032	1,977	2,138	161	The 1967 estimate provides for planning funds for a new patient security building and modernization of an existing patient building, and other miscellaneous improvements.
	Exp.	720	3,000	3,000	.....	
Intragovernmental funds:						
Advances and reimbursements-651	Exp.	−70	23	23	.....	
Total, Saint Elizabeths Hospital.	NOA	11,652	11,572 [A] 318 [B] 367	10,216	−2,041	
	Exp.	9,959	12,505 [A] 318	10,523	−2,300	
SOCIAL SECURITY ADMINISTRATION						
Trust funds:						
Limitation on salaries and expenses.		(331,626)	(480,304) [B] (8,037)	(587,438)	(99,097)	Provides for a 3% increase in workload, and for increased costs of administration of the health insurance program.
Limitation on construction.....		(5,750)	(15,048)	(26,250)	(11,202)	Provides for construction of additional headquarters space and 30 district offices.
General and special funds:						
International Social Security Association meeting.....659	Exp.	82	.....	.....	.....	Costs of meeting held in September 1964 have been liquidated.
Payment to trust funds for health insurance for the aged.....651	NOA	.....	[A] 367,800	832,947	465,147	Supplemental covers reimbursement for administrative expense applicable to the uninsured aged and provides a contingency reserve, should expenditures be higher than currently estimated. The 1967 estimate provides Federal contribution to the hospital insurance trust fund to cover costs incurred for protection provided to the aged who are not insured. Also includes Federal payment to match $3 monthly premiums paid by enrollees in the supplementary medical insurance program.
	Exp.	.....	[A] 25,800	832,947	807,147	

Payment for military service credits 659	NOA	----------	[A] 105,000	105,000	----------	Supplemental in 1966 and estimate for 1967 provide first 2 of 50 annual installments to liquidate the Government's obligation to the old-age, survivors, disability and hospital insurance funds for added costs resulting from past military service.
	Exp.	----------	[A] 105,000	105,000	----------	
Public enterprise funds:						
Operating fund, Bureau of Federal Credit Unions 659	Exp.	−175	−70	−50	20	(The chartering, supervision, and examination of Federal Credit Unions is financed by fees for services performed.)
Intragovernmental funds:						
Advances and reimbursements 653	Exp.	−4	----------	----------	----------	
Total, Social Security Administration.	NOA	----------	[A] 472,800	937,947	465,147	
	Exp.	−98	−70 [A] 130,800	937,897	807,167	
WELFARE ADMINISTRATION						
General and special funds:						
Grants to States for public assistance:						
(Medical assistance for the aged) 651	NOA	290,429	347,200 [A] 30,400	299,500	−78,100	Supplemental in 1966 is needed to complete 1965 requirements and to meet costs indicated by program trends and estimates submitted by the States which cannot be met from presently appropriated funds. Increase in 1967 will finance a modest increase in number of recipients, higher monthly cash payments, and better medical care particularly for families with dependent children. These increases more than offset the savings resulting from initiation in 1967 of the health insurance programs. Total expenditures are lower than NOA due to change in scheduling payments to the States.
	Exp.	272,250	333,705 [A] 30,400	288,800	−75,305	
(Other) 653	NOA	2,898,471	2,874,800 [A] 350,600	3,446,900	221,500	
	Exp.	2,787,248	2,890,195 [A] 350,600	3,306,200	65,405	
Total, grants to States for public assistance	NOA	3,188,900	3,222,000 [A] 381,000	3,746,400	143,400	
	Exp.	3,059,498	3,223,900 [A] 381,000	3,595,000	−9,900	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
WELFARE ADMINISTRATION—Con.						
General and special funds—Continued						
Assistance for repatriated United States nationals.....653	NOA	373	452	460	8	Provides assistance to mentally ill and other indigent repatriates.
	Exp.	346	432	450	18	
Bureau of Family Services, salaries and expenses.....653	NOA	5,514	6,927	8,295	1,368	The increase is for additional Federal staff to improve State administration particularly in dependency reducing efforts and in improving quality of medical care.
	Exp.	5,269	6,700	8,000	1,300	
Grants for maternal and child welfare.....651	NOA	127,830	187,000	228,900	41,900	Increase expands maternal and child health, crippled children and child welfare programs; doubles special projects providing comprehensive medical diagnostic and treatment services to school age and preschool children and initiates grants to train professional health personnel working with handicapped children.
	Exp.	109,796	169,000	210,000	41,000	
Children's Bureau, salaries and expenses.....651	NOA	4,398	4,825	5,331	506	The increase strengthens consultative services and direction of special comprehensive health programs for children.
	Exp.	4,298	4,700	5,200	500	
Juvenile delinquency and youth offenses.....659	NOA	11,500	6,750	8,207	1,457	The estimate initiates 13 new demonstration projects, continues to support the special project for the Washington metropolitan area, and 15 existing projects, and will train 10,000 individuals (2,000 more than in 1966) who will work to prevent or control juvenile delinquency.
	Exp.	9,892	8,000	6,600	−1,400	
Cooperative research or demonstration projects.....653	NOA	1,700	1,882	3,150	1,268	The estimate supports 54 (49 in 1966) grantee submitted research projects and initiates a program of directed research all aimed primarily at reducing dependency.
	Exp.	1,302	1,500	2,300	800	

Research and training (special foreign currency program)..651	NOA	----------	1,200	2,000	800	Excess foreign currencies will be used to undertake studies in maternal and child health and in social welfare programs in 10 foreign countries.
	Exp.	420	700	1,000	300	
Office of the Commissioner, salaries and expenses.....653	NOA	1,104	1,292	1,589	297	Increase will strengthen coordination of welfare programs and provide additional resources for research and appraisal.
	Exp.	914	1,200	1,500	300	
Assistance to refugees in the United States.....653	NOA	32,211	42,600	51,000	8,400	Increase due to financial assistance, education, health services and resettlement costs as number of Cuban refugees since October 1965 grows from 36,000 on June 30, 1966, to 88,000 on June 30, 1967.
Reappropriation.....	NOA	7,789				
	Exp.	32,328	37,500	46,000	8,500	
Intragovernmental funds:						
Advances and reimbursements.653	Exp.	1	----------	----------	----------	
Total, Welfare Administration.	NOA	3,381,319	3,474,928 [A] 381,000	4,055,332	199,404	
	Exp.	3,224,064	3,453,632 [A] 381,000	3,876,050	41,418	
ADMINISTRATION ON AGING						
General and special funds:						
Salaries and expenses.....659	NOA	587	7,500	10,300	2,800	The increase is for additional grants to States, and additional project grants to improve services for the aged.
	Exp.	572	4,750	8,500	3,750	
SPECIAL INSTITUTIONS						
American Printing House for the Blind						
Education of the blind.....704	NOA	865	1,000	1,028	28	Increase reflects larger school enrollment of blind children.
	Exp.	865	1,000	1,028	28	
National Technical Institute for the Deaf						
National Technical Institute for the Deaf.....704	NOA	----------	420	491	71	Provides for planning of residential and training facilities of a technical institute for the deaf authorized by Public Law 89-36.
	Exp.	----------	352	335	−17	

[A] Proposed for separate transmittal, other than pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
SPECIAL INSTITUTIONS—Continued						
Freedmen's Hospital						
General and special funds—Continued						
Salaries and expenses.....651	NOA	4,038	4,624	5,193	569	Increase provides for employee terminal leave pay when hospital is transferred to Howard University by June 30, 1967, and increased staffing for improved patient care, partially offset by increased reimbursements from pay patients.
	Exp.	3,929	4,500	4,900	400	
Gallaudet College						
Salaries and expenses.....702	NOA	1,926	2,277 ^ 24	2,485	184	Supplemental will provide nonfaculty pay increases similar to recent Federal pay increases. Increase in 1967 is for additional faculty and higher operating costs which will accompany an estimated 9% increase in enrollment in 1967.
	Exp.	1,854	2,271 ^ 24	2,477	182	
Construction.....702	NOA	367	384	50	−334	Provides for repairs and renovations in existing structures.
	Exp.	2,502	1,250	500	−750	
Total, Gallaudet College....	NOA	2,293	2,661 ^ 24	2,535	−150	
	Exp.	4,356	3,521 ^ 24	2,977	−568	
Howard University						
Salaries and expenses.....702	NOA	9,843	10,982 ^ 216	13,344	2,146	Provides for expanded enrollment, improvement of health professions program, and for faculty salaries comparable to similar institutions. Supplemental will provide nonfaculty increases similar to recent Federal pay increases.
	Exp.	10,309	10,784 ^ 216	13,000	2,000	

Construction.....702	NOA	1,810	2,920	3,342	422	Provides for construction of university student and faculty center and for other minor projects.
	Exp.	1,309	4,105	4,600	495	
Total, Howard University...	NOA	11,653	13,902 [A] 216	16,686	2,568	
	Exp.	11,618	14,889 [A] 216	17,600	2,495	
Total, special institutions....	NOA	18,849	22,607 [A] 240	25,933	3,086	
	Exp.	20,767	24,262 [A] 240	26,840	2,338	
GENERAL ADMINISTRATION AND OTHER						
Salaries and expenses, Office of the Secretary.....659	NOA	3,281	3,789	4,983	1,194	The increase provides additional staff to enable the Secretary's office to deal more effectively with increasingly more complex program responsibilities.
	Exp.	3,253	3,600	4,960	1,360	
Limitation payable from old-age and survivors insurance trust fund.		(479)	(483) [B] (18)	(646)	(145)	
Salaries and expenses, Office of Audit.....659	NOA	.....	3,681	4,477	796	The increase provides additional staff for the increased number of audits required to be made by this centralized departmental unit.
	Exp.	.....	3,353	4,400	1,047	
Limitation payable from old-age and survivors insurance trust fund.			(510)	(678)	(168)	
Salaries and expenses, Office of Field Administration.....659	NOA	3,939	1,772 [A] 27	1,980	181	Supplemental is for State merit systems work. The increase in regional office management services is to meet increased work loads.
	Exp.	3,864	1,750 [A] 26	1,900 [A] 1	125	
Limitation payable from old-age and survivors insurance trust fund and Bureau of Federal Credit Unions operating fund.		(1,340)	(1,578) [A] (32) [B] (36)	(1,780)	(134)	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued						
GENERAL ADMINISTRATION AND OTHER—Continued						
General and special funds—Continued						
Surplus property utilization...659	NOA	1,001	1,053 [B] 20	1,093	20	Provides staff to distribute surplus real and personal property to State agencies for educational, public health, and civil defense purposes.
	Exp.	983	1,043	1,050	7	
Salaries and expenses, Office of the General Counsel.....659	NOA	1,268	1,615	1,803	188	Increase provides additional legal staff to meet new program responsibilities.
	Exp.	1,105	1,588	1,782	194	
Limitation payable from old-age and survivors insurance trust fund and Food and Drug Administration revolving fund.		(907)	(1,115)	(1,335)	(220)	
Educational television facilities... 704	NOA	13,000	8,826	3,304	−5,522	Amount proposed for 1967 is remaining grant authorization.
	Exp.	3,130	8,000	8,000	----------	
Intragovernmental funds:						
Working capital fund.....659	Exp.	−273	−120	−102	18	

Advances and reimbursements.659	Exp.	−63	−20	----------	20	
Total, general administration and other.	NOA	22,488	20,736 [A] 27 [B] 20	17,640	−3,143	
	Exp.	11,997	19,194 [A] 26	21,990 [A] 1	2,771	
Total, Department of Health, Education, and Welfare.	NOA	7,130,903	9,244,228 [A] 1,110,594 [B] 1,914 [C] 785	11,653,521 [A] 60,013	1,356,013	
	Exp.	5,740,161	7,100,386 [A] 559,428 [B] 1,848 [C] 785	10,075,715 [A] 115,339 [B] 66	2,528,673	

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

OFFICE OF THE SECRETARY

General and special funds:						
Salaries and expenses.....553	NOA	16,385	5,854	9,785	3,931	Increase is primarily for administrative expenses for the first full year of the new water and sewer, neighborhood facility, and advance land acquisition grant programs. The account receives $34 million in reimbursements from other accounts.
	Exp.	16,150	5,854	9,785	3,931	
Office building equipment and furnishings.....553	NOA	----------	----------	575	575	Estimate is for new equipment and furnishings for the headquarters office building being constructed in Washington.
	Exp.	----------	----------	50	50	
Administrative expenses, public works acceleration.....507	NOA	----------	500	----------	−500	All work under this program will be completed in 1966.
	Exp.	----------	500	----------	−500	
Urban studies and housing research.....551	NOA	397	750	750	----------	Estimate continues the statistical series on housing markets and analytical surveys and studies on housing and urban problems.
	Exp.	444	700	750	50	

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[B] Proposed for separate transmittal, civilian pay increase supplemental.
[C] Proposed for separate transmittal, military pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued						
OFFICE OF THE SECRETARY—Con.						
General and special funds—Continued						
Study of housing and building codes, zoning, tax policy, and development standards 551	NOA			3,000	3,000	Estimate is for a study of how these Federal, State, and local policies might be changed to help meet housing and urban development needs.
	Exp.			1,500	1,500	
Natural disaster study 551	NOA		1,000	600	−400	Estimate is for the study of methods for providing financial assistance to those suffering property losses in natural disasters.
	Exp.		600	425	−175	
Community development training programs 553	NOA			5,150	5,150	The estimate initiates a program of grants to States for training (and related research) in community development skills.
	Exp.			2,150	2,150	
Urban planning grants 553	NOA	13,675	26,837	35,000	8,163	Increase expands comprehensive planning assistance to States, counties, small cities, and metropolitan and regional areas.
	Exp.	16,563	20,000	22,000	2,000	
Grants for basic water and sewer facilities 553	NOA		100,000	100,000		Grants are for 50% of the cost of local water and sewer projects following areawide comprehensive development plans.
	Exp.		1,250	50,750	49,500	
Grants to aid advance acquisition of land 553	NOA		5,000	5,000		Grants are made to localities to pay interest costs on 5-year loans for acquisition of land to be used for future public facilities.
	Exp.			360	360	
Open space land and urban beautification 553	NOA	273	475	935	−234,540	Increased appropriation is for more staff to handle a higher level of program activity. Contract authorization in 1966 will cover $85 million of grant approvals for the acquisition or creation of open space land and for the support of local urban beautification programs.
Contract authorization	NOA	25,000	235,000			
Liquidation of contract authorization.		(14,727)	(49,000)	(85,000)	(36,000)	
	Exp.	6,212	18,000	30,000	12,000	
Grants for neighborhood facilities 553	NOA		12,000	25,000	13,000	The increase will support construction of more facilities to house social, health, and recreational services in low income neighborhoods.
	Exp.		1,200	12,500	11,300	

Low income housing demonstration programs 551	NOA	47	47	75	−4,972	Existing contract authorization will allow continuation of grants for testing and demonstration of new and improved methods of housing low income families.
Contract authorization	NOA	**5,000**	**5,000**			
Liquidation of contract authorization.		(1,228)	(1,228)	(2,500)	(1,272)	
	Exp.	1,330	2,000	2,000		
Rent supplement program 551	NOA			**3,000**	**3,000**	Estimate is for initial rent supplement payments on behalf of tenants occupying assisted housing. Approval of $30 million as the maximum annual payments that may be provided for in rent supplement contracts will be requested for 1966, to be increased by $35 million in 1967, so as to assist 108,000 units.
	Exp.			3,000	3,000	
City demonstration grants 553	NOA			[A] **12,000**	**12,000**	Legislation is being proposed to authorize aid to qualifying cities in order to demonstrate how all resources can be marshaled to restore large areas for residential use. Estimate is for planning funds for cities which seek to qualify.
	Exp.			[A] 5,000	5,000	
Public enterprise funds:						
College housing loans (authorization to spend debt receipts):						
Permanent 702	NOA	**300,000**		300,000	**−300,000**	Receipts from sales of participations in pools of college housing loans under proposed legislation will permit canceling $300 million of NOA otherwise becoming available while continuing the 1966 program level of $300 million of loan reservations.
Current	NOA		**300,000**	[A] −300,000		
	Exp.	220,744	240,266	289,305	−751,961	
				[A] −801,000		
Limitation on administrative expenses.		(1,975)	(1,975)	(2,035)	(60)	
Public facility loans 553	Exp.	38,205	22,227	27,635	−72,292	(Increased disbursements under prior year approvals will be more than offset by sales of participations in pools of loans under proposed legislation.)
				[A] −77,700		
Limitation on administrative expenses.		(1,270)	(1,270)	(1,175)	(−95)	
Public works planning fund 553	NOA	**14,000**	**15,000**		**−15,000**	Repayments of previous advances will fund $10 million of approvals without additional NOA.
	Exp.	7,852	7,994	9,990	1,996	
Revolving fund (liquidating programs) 551	Exp.	−985	−3,742	−1,000	2,742	(This fund liquidates assets acquired under expired programs.)
Limitation on administrative expenses.		(114)	(110)	(110)		

[A] Proposed for separate transmittal, other than pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued						
OFFICE OF THE SECRETARY—Con.						
Public enterprise funds—Continued						
Urban renewal programs 553	NOA	----------	13,745	15,625	51,880	Contract authorization for 1966, 1967, 1968, and 1969 was provided in Housing and Urban Development Act of 1965. Liquidating appropriation for 1967 was provided in Supplemental Appropriation Act, 1966.
Contract authorization:						
Current	NOA	750,000	675,000	----------		
Permanent	NOA	----------	----------	725,000		
Liquidation of contract authorization.		(230,000)	(1,100,500)	(725,000)	(−375,500)	
	Exp.	324,352	362,008	412,507	50,499	
Rehabilitation loan fund 551	NOA	10,180	41,363	1,600	−39,763	Appropriation in 1966 will fund $35 million of loan approvals in 1967 to help rehabilitate properties in urban renewal areas.
	Exp.	180	2,364	17,133	14,769	
Community disposal operations 552	Exp.	89	−1,519	−10,004	−8,485	(Sales of property and mortgages will exceed costs connected with selling properties at Los Alamos, N. Mex.)
Urban mass transportation fund 553	NOA	65,300	135,455	640	−4,815	Appropriation for grants in 1967 to improve urban mass transportation systems was included in 1966 appropriation act. No loan activity is estimated for 1967. Budget also proposes grant appropriation of $150 million for 1968, including $95 million to carry out authorizing legislation to be proposed.
Permanent	NOA	----------	----------	130,000		
	Exp.	11,068	38,000	68,020	30,020	
Housing for the elderly or handicapped fund 551	NOA	25,000	50,000	80,000	30,000	Increase will permit continuation of 1966 program level of $85 million in loan approvals for rental housing for elderly or handicapped persons with low or moderate incomes. Program in 1966 was partly financed from prior year appropriations.
	Exp.	41,361	53,576	63,760	10,184	
Limitation on administrative and nonadministrative expenses.		(950)	(1,075)	(1,215)	(140)	
Total, Office of the Secretary	NOA	1,225,258	1,623,026	1,441,735 A −288,000	−469,291	
	Exp.	683,563	771,278	1,012,616 A −873,700	−632,362	

FEDERAL NATIONAL MORTGAGE ASSOCIATION						
Loans to secondary market operations fund.....551	Exp.	−42,460	75,000	35,820	−39,180	(Additional capital needed as the basis for financing new mortgage purchases in 1966 and 1967 is provided by Treasury purchase of preferred stock.)
Special assistance functions (authorization to spend debt receipts): 551						Program in 1967 of $539 million of mortgage purchase reservations and commitments will be primarily for below-market-interest-rate mortgages on rental housing for moderate income families. Expenditure rise reflects greater purchases of these mortgages and fewer sales of mortgages and participations in mortgages under existing legislation. (See "Participation sales" below.)
Current	NOA		**100,000**		**350,000**	
Permanent	NOA			**450,000**		
	Exp.	−375,849	−358,000	69,000	427,000	
Participation sales.....551	NOA			[A] **−450,000**	**−450,000**	Legislation is proposed to facilitate sales of participations in pools of mortgages by providing for covering losses to the special assistance and management and liquidating functions funds resulting from inclusion of low-interest-rate mortgages in the pools. It will also cancel the unneeded NOA becoming available for Special assistance functions.
	Exp.			[A] −383,265	−383,265	
Management and liquidating functions.....551	Exp.	−105,412	−294,400	−135,500	158,900	(Increase in expenditures reflects lower sales of mortgages and participations in pools of mortgages under existing legislation. See "Participation sales" above.)
Government mortgage liquidation fund:						
(Aids to private housing)...551	Exp.	−16,618	−51,500	−35,300	−535	(This trustee account holds collections on mortgages, loans, and other obligations in participation pools and distributes principal and interest payments to certificate holders. Currently certificates are outstanding against pools of FNMA and Veterans Administration mortgages. Legislation will be proposed for the pooling of obligations of additional agencies, including units of this Department, the Farmers Home Administration, the Office of Education, and the Small Business Administration.)
				[A] −16,735		
(Veterans readjustment benefits).....803	Exp.	−8,309	−72,900	−15,700	57,200	
(Advancement of business)..506	Exp.			[A] −161,433	−161,433	
(Financing farm and rural housing).....352	Exp.			[A] −51,000	−51,000	
(Assistance to higher education).....702	Exp.			[A] −21,525	−21,525	
(Urban renewal and community facilities).....553	Exp.			[A] −2,300	−2,300	

[A] Proposed for separate transmittal, other than pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—Continued						
FEDERAL NATIONAL MORTGAGE ASSOCIATION—Continued						
Public enterprise funds—Continued						
Limitation on administrative expenses.		(8,600)	(8,800)	(9,100)	(300)	
Total, Federal National Mortgage Association.	NOA	----------	**100,000**	**450,000** A **−450,000**	**−100,000**	
	Exp.	−548,648	−701,800	−81,680 A −636,258	−16,138	
FEDERAL HOUSING ADMINISTRATION						
General and special funds:						
Administrative expenses, rent supplement program 551	NOA	----------	**450**	**1,030**	**580**	Increase is for additional staff to administer the first full year of the program, which is financed under "Office of the Secretary."
	Exp.	----------	450	1,000	550	
Public enterprise funds:						
Federal Housing Administration fund 551	Exp.	−115,351	115,744	−107,141	−222,885	(Receipts from premiums, fees, and sales of property and mortgages acquired in connection with defaults on insured mortgages will exceed insurance claim payments and other expenses. Expenditures in 1966 reflect new methods which speeded up claim payments. Mortgage insurance outstanding is estimated at $55.7 billion at the end of 1967. Increased applications will require increased operating expenses.)
Limitation on administrative expenses.		(10,085)	(10,330) B (75)	(10,950)	(545)	
Limitation on nonadministrative expenses.		(79,775)	(81,275) B (1,575)	(89,400)	(6,550)	
Total, Federal Housing Administration.	NOA	----------	**450**	**1,030**	**580**	
	Exp.	−115,351	116,194	−106,141	−222,335	

PUBLIC HOUSING PROGRAMS						
Annual contributions.....552	NOA	**208,320**	**220,000** [A] **27,000**	**260,000**	**13,000**	Supplemental in 1966 and increase in 1967 reflect increase in dwellings eligible for annual contributions from 577,347 in 1965 to 613,161 in 1966 and 647,914 in 1967.
Administrative expenses.....552	NOA	**16,352**	**17,000** [B] **405**	**20,223**	**2,818**	Increase results from heavier workload.
	Exp.	230,116	230,336 [A] 20,100	264,600 [A] 6,900	21,064	
Limitation on administrative expenses.		(16,352)	(17,000) [B] (405)	(20,223)	(2,818)	
Limitation on nonadministrative expenses.		(1,420)	(1,200)	(1,273)	(73)	(Increase will cover inspection of increased construction activity.)
Total, public housing programs.	NOA	**224,672**	**237,000** [A] **27,000** [B] **405**	**280,223**	**15,818**	
	Exp.	230,116	230,336 [A] 20,100	264,600 [A] 6,900	21,064	
Total, Department of Housing and Urban Development.	NOA	**1,449,930**	**1,960,476** [A] **27,000** [B] **405**	**2,172,988** [A] **−738,000**	**−552,893**	
	Exp.	249,681	415,603 [A] 20,100 [B] 405	1,089,395 [A] −1,503,058	−849,771	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR						
PUBLIC LAND MANAGEMENT						
Bureau of Land Management						
General and special funds:						
Management of lands and resources 401	NOA	50,296	49,034 [A] 1,000 [B] 495	48,755	−1,774	Supplemental in 1966 is for fire suppression. In 1967 emphasis will be placed on the rest-rotation grazing system for the better management of grazing lands, and on investments to improve water quality and quantity on public domain lands.
	Exp.	49,734	48,388 [A] 900	47,425 [A] 100	−1,763	
Construction and maintenance 401	NOA	1,100	3,150	2,900	−250	Estimate provides for construction of sanitation and protection facilities.
	Exp.	605	1,250	2,030	780	
Oregon and California grant lands:						
Receipt limitation, indefinite 401	NOA	10,448	10,625	9,750	−7,195	A sum equal to 25% of revenues from these lands is available for road construction and maintenance, reforestation, protection, and the development and maintenance of recreational facilities. Additional amounts were for emergency repair and reconstruction of flood-damaged roads.
Definite	NOA	8,500	6,320	----------		
	Exp.	8,080	8,000	8,000	----------	
Public lands development roads and trails: 401						
Contract authorization:						
Current	NOA	2,000	----------	[D] 2,000	----------	123 miles of road construction is programed for 1967.
Permanent	NOA	----------	2,000	----------		
Liquidation of contract authorization.		(2,500)	(2,000)	(2,000)	----------	
	Exp.	1,543	3,007	2,000	−1,007	
Range improvements (receipt limitation, indefinite) 401	NOA	1,397	1,346	1,448	102	A sum usually equal to 33% of grazing revenues is used for range improvements.
	Exp.	1,270	1,250	1,400	150	

Permanent appropriations:						
General fund.....401	NOA	229	221	267	46	Revenues from mineral leasing, sale of timber, grazing leases and permits, and other public domain revenue-producing operations are used in resource programs, or are paid to the States and counties in various proportions, as specified by law. Permanent appropriation of receipts from land and water resources are devoted, in general, to improvements of roads, recreational facilities, and grazing lands. Those from forest resources may be used for expenses of timber sales, or for State or county roads, schools, etc. Minerals revenues are largely paid to States for educational and other uses.
Special fund.....	NOA	1,434	2,094	2,196	102	
	Exp.	1,398	2,315	2,463	148	
Special fund.....402	NOA	21,360	20,940	22,264	1,324	
	Exp.	21,360	20,940	22,264	1,324	
General fund.....403	NOA	3	3	10	7	
Special fund.....	NOA	47,541	50,447	53,308	2,861	
	Exp.	47,355	47,950	53,318	5,368	
Total, Bureau of Land Management.	NOA	144,306	146,180 [A] 1,000 [B] 495	142,898	−4,777	
	Exp.	131,345	133,100 [A] 900	138,900 [A] 100	5,000	
Bureau of Indian Affairs						
Education and welfare services:						
Appropriation.....704	NOA	96,976	104,795 [B] 1,202	114,196	8,199	The increase is primarily to support an additional 3,858 students in Federal elementary and secondary schools and 805 more persons in the vocational and on-the-job training program.
Contract authorization (permanent, indefinite).....704	NOA	1,040	1,100	1,100	.....	
Liquidation of contract authorization.		(990)	(1,040)	(1,100)	(60)	
	Exp.	98,669	105,778	113,307	7,529	
Resources management.....401	NOA	41,421	42,780 [A] 186 [B] 569	44,611	1,076	The 1966 supplemental is for firefighting. The increase in 1967 is primarily for maintenance of new schools and for the mutual-help and low-rent housing program.
	Exp.	40,491	42,496 [A] 100	44,105 [A] 86	1,595	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.
[D] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
PUBLIC LAND MANAGEMENT—Con.						
Bureau of Indian Affairs—Continued						
General and special funds—Continued						
Construction 401	NOA	**53,919**	**35,117**	**57,164**	**22,047**	The estimate includes construction of 4 new schools, replacements and additions to 10 existing schools, and construction of utility and irrigation systems.
	Exp.	53,549	30,296	49,854	19,558	
Road construction:						
Contract authorization:						
Current 401	NOA	**18,000**		**[D]18,000**		The 1967 program includes 387 miles of grading and draining and 628 miles of surfacing.
Permanent	NOA		**18,000**			
Liquidation of contract authorization.		(18,000)	(17,445)	(16,754)		
	Exp.	17,618	19,131	16,754	−2,377	
General administrative expenses 409	NOA	**4,520**	**4,520**	**4,677**	**54**	Administration is continued at the current level.
			[B]103			
	Exp.	4,498	4,585	4,663	78	
Menominee educational grants 704	NOA	**88**	**44**		**−44**	The 1966 amount is the last of 5 grants to cushion the termination of Federal services to the Menominee Tribe.
	Exp.	88	44		−44	
Payment to Seneca Nation 409	NOA	**12,129**				A one-time payment was made to the Seneca Nation for improving conditions.
	Exp.	12,129				
Miscellaneous accounts 409	Exp.	3	139		−139	Payments are made to various tribes as authorized by laws.
Claims and treaty obligations (permanent, indefinite) 409	NOA	**195**	**161**	**161**		Payments are authorized to meet treaty obligations with certain Indian tribes.
	Exp.	192	174	161	−13	

Other miscellaneous appropriations (permanent, indefinite, special funds) 401	NOA	6,881	6,620	6,620	----------	Revenue from irrigation and electric power projects is used to operate and maintain the projects.
	Exp.	6,846	6,686	6,647	−39	
409	NOA	4	10	10	----------	Revenue from mineral deposits is used for acquisition of lands and for loans to Indians in Oklahoma.
	Exp.	----------	116	10	−106	
Public enterprise funds:						
Revolving fund for loans 401	NOA	900	----------	----------	----------	Legislation has been recommended to increase the fund.
	Exp.	179	2,345	409	−1,936	(Loans are made to tribes for relending to members.)
Liquidation of Hoonah housing project revolving funds 409	Exp.	−1	108	4	−104	(Balances are being used for liquidation.)
Intragovernmental funds:						
Advances and reimbursements 409	Exp.	401	1,002	----------	−1,002	
Total, Bureau of Indian Affairs.	NOA	236,073	213,147 [A] 186 [B] 1,874	246,539	31,332	
	Exp.	234,661	212,900 [A] 100	235,914 [A] 86	23,000	
Bureau of Outdoor Recreation						
General and special funds:						
Salaries and expenses 405	NOA	2,748	3,396 [B] 68	3,910	446	Increase accelerates work on review of recreation aspects of Federal water projects and of other potential recreation areas. Services to the Recreation Advisory Council are strengthened.
	Exp.	2,576	3,812	3,914	102	
Land and water conservation (special fund) 405	NOA	16,000	124,996	110,000	−14,996	Estimate covers all anticipated receipts, to be used for Federal acquisition of recreation lands and for assistance to States for planning, acquisition, and development of recreation areas.
	Exp.	1,254	64,176	73,086	8,910	
Intragovernmental funds:						
Advances and reimbursements 405	Exp.	−3	12	----------	−12	
Total, Bureau of Outdoor Recreation.	NOA	18,748	128,392 [B] 68	113,910	−14,550	
	Exp.	3,827	68,000	77,000	9,000	

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[B] Proposed for separate transmittal, civilian pay increase supplemental.
[D] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
PUBLIC LAND MANAGEMENT—Con.						
Office of Territories						
General and special funds:						
Administration of territories..910	NOA	25,345	14,579	10,513	−4,066	Decrease reflects use of prior year funds to finance Guam rehabilitation projects partially offset by increases for Samoan capital improvements.
	Exp.	3,937	10,800	19,060	8,260	
Trust Territory of the Pacific Islands.....910	NOA	17,500	17,344 B103	17,494	47	Program will continue at the current level.
	Exp.	12,695	19,195	19,940	745	
Claims of inhabitants of Rongelap Atoll.....910	NOA	950	.....	.....	.....	Payment for claims of Rongelap Atoll inhabitants for radiation exposure is expected to be completed in 1966.
	Exp.	.....	950	.....	−950	
Internal revenue collections for Virgin Islands (permanent, indefinite, special fund).....910	NOA	8,313	10,406	8,000	−2,406	Payments are made to the Virgin Islands equal to taxes collected on island products sold in the United States.
	Exp.	8,313	10,406	8,000	−2,406	
Public enterprise funds:						
Loans to private trading enterprises, Trust Territory of the Pacific Islands 910	Exp.	280	.....	.....	.....	(This fund was liquidated in 1965 and the assets contributed to the trust territory.)
Total, Office of Territories....	NOA	52,108	42,329 B103	36,007	−6,425	
	Exp.	25,226	41,351	47,000	5,649	

The Alaska Railroad						
Alaska Railroad revolving fund 506	NOA	**1,300**	**4,100**	----------	**−4,100**	Funding for earthquake damage completed. Revenues finance normal costs of operating the railroad.
	Exp.	15,025	14,439	35	−14,404	
Total, public land management.	NOA	**452,535**	**534,148** **[A] 1,186** **[B] 2,540**	**539,354**	**1,480**	
	Exp.	410,084	469,790 [A] 1,000	498,849 [A] 186	28,245	
MINERAL RESOURCES						
Geological Survey						
General and special funds:						
Surveys, investigations, and research 409	NOA	**70,384**	**71,681** **[B] 1,510**	**73,920**	**729**	Estimate provides for topographic mapping and geologic investigations to continue at about the current level. Studies of water problems will be accelerated and an increasing number of mineral leases will be supervised.
	Exp.	68,081	69,750	72,610	2,860	
Lead and zinc stabilization program 403	Exp.	155	250	390	140	(Payments to small lead and zinc producers to stabilize mining operations.)
Payments from proceeds, sale of water, Mineral Leasing Act of 1920, sec. 40(d) (permanent, indefinite, special fund) 401	NOA	**1**	**1**	**1**	----------	Receipts are appropriated to maintain and develop water wells on the public domain.
Intragovernmental funds:						
Advances and reimbursements 409	Exp.	−27	−1,000	−1,000	----------	
Total, Geological Survey	NOA	**70,385**	**71,682** **[B] 1,510**	**73,921**	**729**	
	Exp.	68,209	69,000	72,000	3,000	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
MINERAL RESOURCES—Continued						
Bureau of Mines						
General and special funds:						
Conservation and development of mineral resources 403	NOA	31,191	31,883 [B] 500	31,466	−917	Increases for research in oil shale, air pollution, and for the analytical evaluation of competing mineral resource and research projects are more than offset by completion of other projects.
	Exp.	30,369	30,200	31,200	1,000	
Health and safety 652	NOA	9,536	9,507 [B] 92	9,390	−209	Provides for research and educational effort to reduce health and safety hazards in mining operations. Cost savings and increased productivity account for the decreased estimate.
	Exp.	9,088	9,100	9,300	200	
Construction 403	Exp.	165	200	31	−169	(Estimate provides for final payment on project.)
General administrative expenses 403	NOA	1,469	1,529 [B] 22	1,556	5	Administration is continued at the current level.
	Exp.	1,428	1,500	1,555	55	
Drainage of anthracite mines 403	Exp.	442	200	200	.....	(Balance of a 1956 appropriation will be spent in Pennsylvania.)
Appalachian region mining area restoration 403	NOA	16,000	.....	10,566	10,566	Estimate provides for control of subsidence and mine fires and for reclamation of strip and surface mined areas.
	Exp.	.....	1,000	13,000	12,000	
Solid waste disposal 403	NOA	.....	1,400	4,335	2,935	Increase is for the expansion of research to develop uses for junked automobiles and related solid mineral wastes.
	Exp.	.....	800	3,200	2,400	
Public enterprise funds:						
Helium fund (authorization to spend debt receipts) 403	NOA	14,000	16,000	26,000	10,000	Increase in borrowing from Treasury is to purchase helium which will be repaid when the helium is sold.
	Exp.	20,425	25,000	30,614	5,614	

Intragovernmental funds: Advances and reimbursements 403	Exp.	−530	----------	----------	----------	
Total, Bureau of Mines	NOA	**72,196**	**60,319** [B]**614**	**83,313**	**22,380**	
	Exp.	61,386	68,000	89,100	21,100	
Office of Coal Research						
General and special funds: Salaries and expenses 403	NOA	**6,836**	**7,220**	**8,237**	**1,017**	Increase expands research to develop new methods of mining, preparing and utilizing coal.
	Exp.	3,822	5,800	6,800	1,000	
Office of Minerals Exploration						
Salaries and expenses 403	NOA	**850**	----------	----------	----------	Administration of this program has been transferred to the Geological Survey.
	Exp.	627	----------	----------	----------	
Office of Oil and Gas						
Salaries and expenses 403	NOA	**704**	**704** [B]**16**	**722**	**2**	Estimate continues program at current level.
	Exp.	686	700	700	----------	
Total, mineral resources	NOA	**150,971**	**139,925** [B]**2,140**	**166,193**	**24,128**	
	Exp.	134,728	143,500	168,600	25,100	
FISH AND WILDLIFE AND PARKS						
Office of the Commissioner of Fish and Wildlife						
Salaries and expenses 404	NOA	**444**	**444** [B]**8**	----------	**−452**	Activities are financed in 1967 by estimates of the Bureaus of Commercial Fisheries and Sport Fisheries and Wildlife and by the Office of the Secretary.
	Exp.	443	452	44	−408	

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
FISH AND WILDLIFE AND PARKS—Con.						
Bureau of Commercial Fisheries						
General and special funds—Continued						
Management and investigations of resources 404	NOA	21,227	21,885 [A] 55 [B] 148	21,092	−996	Decrease from the use of balances in the permanent indefinite account to fund some research programs more than offsets increases for pesticide and oceanographic research.
	Exp.	20,736	20,800 [A] 55	21,000	145	
Management and investigations of resources (special foreign currency program) 404	NOA	300	300	200	−100	Research and translation of foreign fisheries literature projects are carried on abroad using excess foreign currencies.
	Exp.	181	200	200	.....	
Construction 404	NOA	5,913	1,980	495	−1,485	Projects include a seawall and bridge at Beaufort, N.C., and production and migration aids for salmon in Oregon, Washington, and Idaho.
	Exp.	7,298	7,168	3,385	−3,783	
Construction of fishing vessels 404	NOA	2,500	5,000	3,300	−3,805	Subsidies cover the difference in construction costs between U.S. and foreign shipyards on 35 vessels in 1966 and 23 in 1967.
Reappropriation	NOA	.....	2,105			
	Exp.	483	1,700	2,000	300	
Federal aid for commercial fisheries research and development 404	NOA	.....	4,713	3,210	−1,503	Program provides for reduced cost-sharing apportionments to States for commercial fishery research and development.
	Exp.	.....	2,500	3,000	500	
General administrative expenses 404	NOA	704	674 [B] 15	739	50	Estimate continues program at the current level
	Exp.	686	675	718	43	

Administration of Pribilof Islands (indefinite, special fund) ...404	NOA	2,454	2,454 [B]10	2,468	4	Part of the proceeds from sales of fur sealskins and other wildlife products is used in administration of the Pribilof Islands
	Exp.	2,441	2,324	2,414	90	
Promote and develop fishery products and research pertaining to American fisheries (permanent, indefinite) 404	NOA	5,298	6,611	5,800	−811	A sum equal to 30% of customs duties on fishery products is appropriated for biological research, technological development, and general administrative services. The high level of receipts in 1966 is not expected to continue in 1967.
	Exp.	4,990	5,200	6,956	1,756	
Payment to Alaska from Pribilof Islands fund (permanent, indefinite, special fund) 404	NOA	964	.....	200	200	Alaska is paid 70% of net proceeds from sales of fur sealskins and related products from the Pribilof Islands rookeries. In 1966 sales did not exceed expenses.
	Exp.	964	.....	200	200	
Public enterprise funds:						
Federal ship mortgage insurance fund, fishing vessels 404	Exp.	−38	−83	−116	−33	(Premium and fees are reserved for possible losses. Contingent liability will be $13 million in 1967.)
Fisheries loan fund 404	Exp.	429	109	199	90	(Loan program of $1.7 million in 1967 is financed by receipts and fund capital.)
Limitation on administrative expenses.		(309)	(309)	(309)	.....	
Total, Bureau of Commercial Fisheries.	NOA	39,360	45,722 [A]55 [B]173	37,504	−8,446	
	Exp.	38,169	40,593 [A]55	39,956	−692	
Bureau of Sport Fisheries and Wildlife						
General and special funds:						
Management and investigations of resources 404	NOA	35,308	36,108 [A]285 [B]478	37,304	433	Program supplemental is for pesticide research and wage board increases. Increase in 1967 is primarily for operation of new fish hatcheries and for fish and wildlife research.
	Exp.	33,311	34,226 [A]285	35,282	771	

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[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
FISH AND WILDLIFE AND PARKS—Con.						
Bureau of Sport Fisheries and Wildlife—Con.						
General and special funds—Continued						
Construction 404	NOA	9,258	18,299	3,169	−15,130	Program includes planning for a fish nutrition laboratory, development at 26 wildlife refuges, and construction of a building for migratory bird studies.
	Exp.	8,172	8,000	10,000	2,000	
General administrative expenses 404	NOA	1,443	1,458 [B]34	1,564	72	Estimate continues program at current level.
	Exp.	1,392	1,500	1,516	16	
Appalachian region fish and wildlife restoration projects 404	NOA	1,350	----------	1,350	1,350	States are reimbursed up to 75% of the cost of approved fish and wildlife projects within the Appalachian region.
	Exp.	----------	700	1,000	300	
Migratory bird conservation account 404	NOA	8,000	7,500	6,000	−1,500	Estimate of $6 million to be advanced from general revenues (to be repaid later). Plus estimated receipts from sale of Federal duck-hunting stamps are used for the acquisition of migratory waterfowl lands.
Receipt limitation (permanent, indefinite).	NOA	4,623	5,000	5,000	----------	
	Exp.	13,050	10,500	10,500	----------	
Federal aid in fish restoration and management (receipt limitation, permanent, indefinite) 404	NOA	7,342	7,373	6,500	−873	Assistance to States is provided by appropriations equal to the 10% excise tax on sport fishing equipment.
	Exp.	6,105	6,000	5,000	−1,000	
Federal aid in wildlife restoration (permanent, indefinite, special fund) 404	NOA	17,455	20,201	17,170	−3,031	Assistance to States is provided by appropriations equal to the 11% excise tax on manufacture of firearms and cartridges.
	Exp.	15,604	15,000	15,000	----------	

Payments to counties, national grasslands (permanent, indefinite, special fund) 404	NOA	2	2	2	----------	The sum of 25% of revenue from submarginal lands goes to counties in which such lands are located, for schools and roads.
	Exp.	2	2	2	----------	
National wildlife refuge fund (permanent, indefinite, special fund) 404	NOA	4,245	1,886	2,780	894	Of net proceeds from sales of refuge products, 75% is used for refuge management and enforcement of game protection laws, and 25% goes to counties in which such refuges are located for schools and roads.
	Exp.	1,860	2,787	2,700	−87	
Intragovernmental funds:						
Advances and reimbursements 404	Exp.	2	----------	----------	----------	
Total, Bureau of Sport Fisheries and Wildlife.	NOA	89,025	97,827 [A] 285 [B] 512	80,839	−17,785	
	Exp.	79,498	78,715 [A] 285	81,000	2,000	
National Park Service						
General and special funds:						
Management and protection 405	NOA	30,127	32,350 [A] 579 [B] 783	36,177	2,465	Supplemental is for fire suppression and initial staffing of newly established areas. Increase is for full-year operation of 13 new areas and new facilities to serve an increase of 8 million visitors to the 230 areas in the system. Additional funds are provided for the Roosevelt Campobello International Park Commission.
	Exp.	29,419	33,245 [A] 545	35,766 [A] 34	2,010	
Maintenance and rehabilitation of physical facilities 405	NOA	23,650	24,653 [A] 647 [B] 103	27,022	1,619	Supplemental is for wage board pay increases and initial maintenance staff at 9 newly established areas. The 1967 increase will cover 13 new areas and permit more adequate maintenance of roads and facilities throughout the Park Service.
	Exp.	22,593	24,612 [A] 617	27,020 [A] 30	1,821	
Construction 405	NOA	42,987	26,177 [A] 1,338	23,500	−4,015	Supplemental in 1966 is for reconstruction of facilities damaged by hurricane, flood, etc. In 1967 funds are provided to step up a program for the beautification of the Nation's Capital, construction of facilities, and acquisition of water rights.
	Exp.	41,393	24,746 [A] 400	30,508 [A] 938	6,300	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
FISH AND WILDLIFE AND PARKS—Continued						
National Park Service—Continued						
General and special funds—Continued						
Parkway and road construction:						
Contract authorization:						
Current 405	NOA	**34,000**		[D]**34,000**		Work on 7 parkways will continue and road and trail construction will include 80 miles of major roads. Road construction in new areas will be initiated.
Permanent	NOA		**34,000**			
Liquidation of contract authorization.		(29,000)	(33,000) [A](5,500)	(30,000)	(−8,500)	(Supplemental is to meet progress payments against existing and anticipated 1966 obligations.)
	Exp.	34,438	33,584 [A]5,500	30,000	−9,084	
General administrative expenses 405	NOA	**2,422**	**2,465** [B]57	**2,562**	**40**	Estimate continues program at current level.
	Exp.	2,340	2,554	2,566	12	
Other miscellaneous appropriations (permanent, indefinite, special fund) 405	NOA	**180**	**123**	**124**	**1**	Park visitor fees are used to provide educational facilities to dependents of park personnel, payment of tax losses to Wyoming; and for certain other costs.
	Exp.	132	122	123	1	

Intragovernmental funds:						
Advances and reimbursements 405	Exp.	−18	75	15	−60	
Total, National Park Service	NOA	**133,366**	**119,768** **[A]2,564** **[B]943**	**123,385**	**110**	
	Exp.	130,296	118,938 [A]7,062	125,998 [A]1,002	1,000	
Total, fish and wildlife and parks.	NOA	**262,195**	**263,761** **[A]2,904** **[B]1,636**	**241,728**	**−26,573**	
	Exp.	248,406	238,698 [A]7,402	246,998 [A]1,002	1,900	
WATER AND POWER DEVELOPMENT						
Bureau of Reclamation						
General and special funds:						
General investigations 401	NOA	**11,398**	**14,194**	**[P]13,685**	**−509**	Program includes plan formulation and economic studies, engineering research, and atmospheric water research.
	Exp.	11,717	13,637	13,700	63	
Construction and rehabilitation 401	NOA	**185,605**	**197,053**	**175,000** **[A]3,000**	**−19,053**	Finances construction on 30 projects and 16 units of the Missouri River Basin project estimated to cost $5.4 billion; of these, 4 will be new project starts estimated to cost $1 billion, including the third powerplant at Grand Coulee Dam, proposed for separate transmittal, which requires authorizing legislation.
	Exp.	185,966	190,000	173,600 [A]2,400	−14,000	
Operation and maintenance 401	NOA	**39,842**	**41,056**	**41,297**	**241**	Provides for operation and maintenance of 36 projects and Missouri River Basin units.
	Exp.	38,046	39,759	41,600	1,841	
General administrative expenses 401	NOA	**10,775**	**11,016**	**11,404**	**388**	Provides overall administration and the technical direction of the Bureau's program.
	Exp.	10,758	11,011	11,379	368	
Loan program 401	NOA	**10,307**	**13,495**	**9,995**	**−3,500**	Finances work on 10 projects started in prior years; 3 small projects will be completed.
	Exp.	12,140	15,000	14,000	−1,000	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.
[P] Partly to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
WATER AND POWER DEVELOPMENT—Continued						
Bureau of Reclamation—Continued						
General and special funds—Continued						
Emergency fund 401	NOA	5,000	----------	1,000	1,000	This account requires increase to assure continued operation of Federal water and power facilities in emergency situations.
	Exp.	3,429	2,656	1,575	−1,081	
Recreational and fish and wildlife facilities, Colorado River storage project 401	NOA	4,500	4,484	3,800	−684	Development of recreational facilities will be completed at 1 reservoir, continued at 5, and started at 2. Construction of fish and wildlife facilities will continue at 10 sites.
	Exp.	3,462	5,432	4,500	−932	
Other miscellaneous appropriations (permanent, special funds) 401	NOA	4,188	3,612	3,587	−25	Includes appropriations of Colorado River Dam fund revenues for payment of interest to Treasury and other specific items.
	Exp.	4,465	3,663	3,585	−78	
Public enterprise funds:						
Continuing fund for emergency expenses, Fort Peck project, Montana 401	Exp.	−2,332	−3,175	−1,289	1,886	(Receipts from power sales are used for operation and maintenance. Increased expenditures are required in 1967 due principally to increased costs of power generation and capital outlays.)
Upper Colorado River Basin fund 401	NOA	55,792	43,512	39,250	−4,262	Construction continues on 3 storage units and transmission facilities ond on 9 participating projects.
	Exp.	60,312	45,000	40,950	−4,050	
Intragovernmental funds:						
Advances and reimbursements 401	Exp.	−17	17	----------	−17	
Total, Bureau of Reclamation	NOA	327,408	328,422	299,018 ^3,000	−26,404	
	Exp.	327,947	323,000	303,600 ^2,400	−17,000	

Bonneville Power Administration						
General and special funds:						
Construction 401	NOA	87,420	97,761	109,165	11,404	Increase continues construction of both extra-high-voltage transmission for the Pacific Northwest power grid and of the Pacific Northwest-Southwest power intertie.
	Exp.	38,923	67,500	102,990	35,490	
Operation and maintenance 401	NOA	15,260	15,988 [B] 173	17,010	849	Increase will provide for the operation and maintenance of transmission facilities added to the power system.
	Exp.	15,368	16,161	17,010	849	
Continuing fund for emergency expenses, Bonneville project, Oreg. (permanent, indefinite, special fund) 401	NOA	700	243	----------	−243	This fund is used only as needed to insure continued operation of the power system in emergencies.
	Exp.	604	339	----------	−339	
Public enterprise funds:						
Bonneville Power Administration 401	NOA	----------	[A] −38,951	[A] −40,432	−1,481	Proposed legislation permits receipts from sale of power to be used, thus reducing net expenditures and need for NOA.
	Exp.	----------	[A] −38,951	[A] −40,432	−1,481	
Total, Bonneville Power Administration.	NOA	103,380	113,992 [A] −38,951 [B] 173	126,175 [A] −40,432	10,529	
	Exp.	54,895	84,000 [A] −38,951	120,000 [A] −40,432	34,519	
Southeastern Power Administration						
General and special funds:						
Operation and maintenance 401	NOA	999	1,000	1,000	----------	Provides for continuation of power marketing program.
	Exp.	644	800	850	50	
Public enterprise funds:						
Southeastern Power Administration 401	NOA	----------	[A] −1,000	[A] −1,000	----------	Proposed legislation permits receipts from sale of power to be used, thus eliminating net expenditures and need for NOA.
	Exp.	----------	[A] −25,200	[A] −26,200	−1,000	
Total, Southeastern Power Administration.	NOA	999	1,000 [A] −1,000	1,000 [A] −1,000	----------	
	Exp.	644	800 [A] −25,200	850 [A] −26,200	−950	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (—)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
WATER AND POWER DEVELOPMENT—Continued						
Southwestern Power Administration						
General and special funds:						
Construction 401	NOA	2,610	1,698 A 520	4,500	2,282	Increase provides for planning and construction of an additional 200 miles of transmission lines, substation capacity, and related facilities. The supplemental is for completion of facilities started in prior years.
	Exp.	2,847	4,006 A 200	4,500 A 320	614	
Operation and maintenance 401	NOA	1,680	1,800 B 25	2,115	290	Increase is required to operate and maintain additional power facilities as more construction is completed.
	Exp.	1,655	1,825	2,111	286	
Continuing fund (indefinite, special fund) 401	NOA	4,500	4,000	3,700	—300	Provides for energy purchases and rental of transmission lines
	Exp.	3,274	2,969	3,600	631	
Public enterprise funds:						
Southwestern Power Administration 401	NOA	.....	A —1,731	A —3,325	—1,594	Proposed legislation permits receipts from sale of power to be used, thus reducing net expenditures and need for NOA.
	Exp.	.....	A —1,731	A —3,325	—1,594	
Total, Southwestern Power Administration	NOA	8,790	7,498 A —1,211 B 25	10,315 A —3,325	678	
	Exp.	7,776	8,800 A —1,531	10,211 A —3,005	—63	

Office of Saline Water						
General and special funds:						
Salaries and expenses.....401	NOA	13,900	20,000	28,595	8,595	Increase emphasizes research and engineering development of distillation and membrane processes.
	Exp.	9,533	13,215	19,216	6,001	
Operation and maintenance...401	NOA	.....	2,485	2,351	—134	Provides for operation of 4 demonstration plants during 1967.
	Exp.	330	1,822	2,351	529	
Construction, operation, and maintenance.....401	NOA	2,250	.....	.....	—666	(Replacement of a demonstration plant transferred to the Navy Department in 1964 is being financed by a Navy reimbursement and a reappropriation of balances of prior appropriations.)
Reappropriation.....	NOA	.....	666			
	Exp.	1,605	1,263	733	—530	
Total, Office of Saline Water	NOA	16,150	23,151	30,946	7,795	
	Exp.	11,468	16,300	22,300	6,000	
Total, water and power development.	NOA	456,727	474,063 [A] —41,162 [B] 198	467,454 [A] —41,757	—7,402	
	Exp.	402,730	432,900 [A] —65,682	456,961 [A] —67,237	22,506	
SECRETARIAL OFFICES						
Office of the Solicitor						
Salaries and expenses.....409	NOA	4,393	4,487 [B] 110	4,704	107	Increase will provide legal services for new departmental programs.
	Exp.	4,374	4,500	4,704	204	

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200-000 O—66——19

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF THE INTERIOR—Continued						
SECRETARIAL OFFICES—Continued						
Office of the Secretary						
General and special funds—Continued						
Salaries and expenses 409	NOA	4,365	4,450 B105	5,186	631	Department direction and management will be strengthened and some activities of the Office of the Commissioner of Fish and Wildlife will be financed in this account in 1967.
	Exp.	4,276	4,453	5,327	874	
Intragovernmental funds:						
Working capital fund 409	Exp.	−33	8	−1	−9	
Advances and reimbursements 409	Exp.	−37	39	−23	−62	
Total, Office of the Secretary	NOA	4,365	4,450 B105	5,186	631	
	Exp.	4,206	4,500	5,303	803	
Office of Water Resources Research						
General and special funds:						
Salaries and expenses 401	NOA	3,450	6,390 B6	6,894	498	Estimate provides for grants to States for support of water resources research institutes and for an increase in matching grants to institutes for specific water resources research projects.
	Exp.	2,296	6,500	6,677	177	
Total, secretarial offices	NOA	12,208	15,327 B221	16,784	1,236	
	Exp.	10,876	15,500	16,684	1,184	

VIRGIN ISLANDS CORPORATION						
Public enterprise funds:						
Operating fund.....910	Exp.	−2,073	−751	.....	751	(Corporation will complete liquidation of its assets and cease all activity by the end of 1966.)
Limitation on administrative expenses.		(156)	(100)	.....	(−100)	
Total, Virgin Islands Corporation.		−2,073	−751	.....	751	
Total, Department of the Interior.	NOA	1,334,635	1,427,224 [A] −37,072 [B] 6,735	1,431,513 [A] −41,757	−7,131	
	Exp.	1,204,753	1,293,210 [A] −57,280 [B] 6,427	1,387,784 [A] −66,049 [B] 308	79,686	
DEPARTMENT OF JUSTICE						
LEGAL ACTIVITIES AND GENERAL ADMINISTRATION						
General and special funds:						
Salaries and expenses, general administration.....908	NOA	5,050	5,339 [B] 75	5,767	353	Increase provides for more effective program analysis and planning, strengthening of the Office of Criminal Justice, and workload increases.
	Exp.	4,925	5,255	5,727	472	
Salaries and expenses, general legal activities.....908	NOA	20,410	21,274	21,887	613	Additional amount provides for growing workloads.
	Exp.	19,318	21,224	21,720	496	
Trust fund:						
Limitation on general administrative expenses, alien property activities.		(690)	(376)	(80)	(−296)	(Estimate contemplates that the Office of Alien Property will be closed June 30, 1966, and that the remaining workload will be transferred to "General legal activities.")

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF JUSTICE—Continued						
LEGAL ACTIVITIES AND GENERAL ADMINISTRATION—Continued						
General and special funds:						
Salaries and expenses, Antitrust Division 508	NOA	7,072	7,130 [B] 165	7,409	114	Program will be carried on at 1966 level.
	Exp.	6,894	7,240	7,330	90	
Salaries and expenses, U.S. attorneys and marshals 908	NOA	31,885	32,150 [B] 647	34,450	1,653	Increase will provide salaries for assistant U.S. attorneys comparable to those of departmental attorneys, and finance expanded training programs for attorneys and marshals.
	Exp.	31,226	32,600	33,827	1,227	
Fees and expenses of witnesses 908	NOA	2,800	2,800	2,800	----------	Fees and expenses are paid to witnesses who appear on behalf of the Government.
	Exp.	2,515	2,700	2,800	100	
Law enforcement assistance 908	NOA	----------	7,249	13,693	6,444	Increase reflects additional emphasis on efforts to improve law enforcement, corrections, and the administration of justice in State and local jurisdictions.
	Exp.	----------	5,000	11,036	6,036	
Intragovernmental funds:						
Advances and reimbursements 908	Exp.	−48	17	----------	−17	
Total, legal activities and general administration.	NOA	67,217	75,942 [B] 887	86,006	9,177	
	Exp.	64,830	74,036	82,440	8,404	
FEDERAL BUREAU OF INVESTIGATION						
General and special funds:						
Salaries and expenses 908	NOA	161,080	165,275 [B] 3,735	175,465	6,455	Increase will provide for additional civil rights work, continuation of the promotion plan for special agents, and initiation of research in the automation of fingerprint identification.
	Exp.	159,507	168,847	179,138	10,291	

IMMIGRATION AND NATURALIZATION SERVICE						
Salaries and expenses..... 908	NOA	73,161	73,175 [B]1,782	75,541	584	Additional amount provides for increased workload, partially offset by savings due to management improvements.
	Exp.	72,207	75,314	75,324	10	
FEDERAL PRISON SYSTEM						
Salaries and expenses, Bureau of Prisons..... 908	NOA	56,000	56,560 [A]197 [B]797 [C]40	59,475	1,881	Supplemental in 1966 is for wage board increases. Increase in 1967 reflects expanded efforts to develop and implement new rehabilitation techniques, and establishment of additional prerelease guidance centers. Prison population will average 21,500 compared to 21,624 in 1965.
	Exp.	55,584	54,644 [A]190	58,851 [A]7	4,024	
Buildings and facilities.....908	NOA	22,952	4,256	3,500	−756	Estimate provides for several major renovation and improvement projects and a continuing program of repairs and improvements.
	Exp.	2,954	9,727	7,435	−2,292	
Support of U.S. prisoners.....908	NOA	4,580	4,500 [A]500	4,700	−300	Supplemental in 1966 provides for the increased cost of maintaining Federal prisoners in non-Federal institutions. Estimate for 1967 provides for care of an average of 3,041 prisoners at a cost of $4.28 per man-day, $0.12 higher than in 1966.
	Exp.	4,507	4,796 [A]200	4,700 [A]300	4	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF JUSTICE—Continued						
FEDERAL PRISON SYSTEM—Continued						
Intragovernmental funds:						
Federal Prison Industries, Inc.:						
Federal industries fund.....908	Exp.	−1,439	−3,800	−3,297	503	(Estimate provides vocational training for 10,990 inmates and employment of 5,250 inmates full time in various industries. Increased emphasis will be placed on finding jobs for inmates on their release.)
Limitation on administrative and vocational training expenses.		(2,190)	(2,270)	(2,613)	(343)	
Advances and reimbursements.908	Exp.	8	----------	----------	----------	
Total, Federal Prison System.	NOA	**83,532**	**65,316** [A]697 [B]797 [C]40	**67,675**	**825**	
	Exp.	61,614	65,367 [A]390	67,689 [A]307	2,239	
Total, Department of Justice.	NOA	**384,990**	**379,708** [A]697 [B]7,201 [C]40	**404,687**	**17,041**	
	Exp.	358,158	377,033 [A]390 [B]6,495 [C]36	403,881 [A]307 [B]706 [C]4	20,944	

DEPARTMENT OF LABOR

MANPOWER ADMINISTRATION						
General and special funds:						
Salaries and expenses, Office of Manpower Administrator...652	NOA	----------	**35,330** [A] **15** [B] **66**	**39,162**	**3,751**	Supplemental for 1966 is required for immigrant eligibility determinations under Public Law 89-326. Increase in 1967 is to expand contractual and grant research in the manpower area, and provide additional staff for overall direction of manpower programs in the Department.
	Exp.	----------	20,000 [A] 13	21,000 [A] 2	989	
Manpower development and training activities.....652	NOA	**396,906**	**399,542** [B] **25**	**400,044**	**477**	Program will be redirected to concentrate on training the severely disadvantaged, and to increase use of on-the-job training. About 250,000 unemployed workers will be trained in 1967.
	Exp.	230,041	279,233	281,582	2,349	
Area redevelopment activities.652	NOA	**8,500**	----------	----------	----------	(Program is now financed under Manpower Development and Training Activities.)
	Exp.	6,396	2,133	----------	−2,133	
Trade adjustment activities... 652	NOA	**344**	[A] **10,000**	----------	**−10,000**	Supplemental is for worker allowances and State administration of the Canadian Auto Products Trade Act of 1965 and the Trade Expansion Act of 1962.
	Exp.	232	35 [A] 900	[A] 5,600	4,665	
Salaries and expenses, Bureau of Apprenticeship and Training 652	NOA	**5,722**	**7,008** [B] **87**	**8,397**	**1,302**	Increase will provide for additional promotion of apprenticeship training, and expanded promotion and supervision of on-the-job training under the Manpower Development and Training Act.
	Exp.	5,547	6,800	7,500	700	
Special study on discrimination in employment because of age.652	NOA	**100**	----------	----------	----------	(Study was completed in 1965.)
	Exp.	80	6	----------	−6	
Farm labor contractor registration activities.....652	NOA	**350**	----------	----------	----------	This program has been transferred to Salaries and expenses, Bureau of Employment Security.
	Exp.	281	44	----------	−44	
Advances for employment services 652	NOA	----------	**10,000**	**23,000** [A] **−23,000**	**−10,000**	Advances are primarily to help finance improved service for youth. Legislation in 1967 will permit the use of funds from other sources for this purpose.
	Exp.	----------	----------	23,000 [A] −23,000	----------	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF LABOR—Continued						
MANPOWER ADMINISTRATION—Con.						
General and special funds—Continued						
Salaries and expenses, Bureau of Employment Security.....652	NOA	.....	**3,004** [A] **790** [B] **32**	**2,625**	**−1,201**	Supplemental is for immigrant eligibility determinations under Public Law 89-326. Decrease reflects smaller program for farm labor recruitment, partially offset by expanded activities under the Manpower Development and Training Act.
	Exp.	.....	2,900 [A] 500	2,400 [A] 290	−710	
Limitation on salaries and expenses, Unemployment trust fund.		(13,952)	(15,434) [B] (207)	(19,384)	(3,743)	Increase provides for technical assistance in achieving management improvements in State employment security operations, and improved supervision over employment services.
Limitation on grants to States for unemployment compensation and employment service administration, Unemployment trust fund.		(455,636)	(492,100)	(508,950)	(16,850)	Increase is primarily to meet mandatory salary increases and other changes in State law, and basic improvements in employment service activities. Grants in addition to the limitation, primarily for youth services, will be financed by "Advances for employment services."
Unemployment compensation for Federal employees and ex-servicemen.....652	NOA	**137,000**	**131,000** [A] **−11,155** [B] **−942** [C] **−7**	**107,000**	**−11,896**	Supplemental is to transfer funds not needed in this activity to activities which require supplemental funds in 1966. Decrease in 1967 reflects continued economic improvement.
	Exp.	122,398	100,000	100,000	.....	
Compliance activities, Mexican farm labor program.....652	NOA	**800**	.....	.....	.....	(Authority for this program has expired.)
	Exp.	815	.....	.....	.....	
Salaries and expenses, Mexican farm labor program.....652	Exp.	719	.....	.....	.....	(Authority for this program has expired.)
Miscellaneous expired accounts 652	Exp.	−40	98	.....	−98	

Public enterprise funds:						
Farm labor supply revolving fund 652	Exp.	−359				
Advances to employment security administration account, Unemployment trust fund 652	Exp.	−2,226	−2,400	−3,600	−1,200	(Temporary advances to the Unemployment trust fund are repaid in the same year. Net receipts are interest on the amount advanced.)
Intragovernmental funds:						
Advances and reimbursements, Manpower Administration 652	Exp.	−614				
Total, Manpower Administration.	NOA	**549,722**	**585,884** [A] **−350** [B] **−732** [C] **−7**	**580,228** [A] **−23,000**	**−27,567**	
	Exp.	363,272	408,849 [A] 1,413	431,882 [A] −17,108	4,512	
LABOR-MANAGEMENT RELATIONS						
General and special funds:						
Salaries and expenses, Labor-Management Services Administration 652	NOA	**7,743**	**8,579**	**8,510**	**−69**	Decrease reflects management improvements in the processing of labor-management reports and in the veterans' reemployment activity.
	Exp.	7,221	8,298	8,078	−220	
Salaries and expenses, Bureau of Veterans' Reemployment Rights 805	NOA	**821**				The Bureau of Veterans' Reemployment Rights has been merged into the Labor-Management Services Administration above.
	Exp.	813	48		−48	
Salaries and expenses, Bureau of Labor-Management Reports 652	Exp.	1				The Bureau of Labor-Management Reports has been merged into the Labor-Management Services Administration above.
Total, labor-management relations.	NOA	**8,564**	**8,579**	**8,510**	**−69**	
	Exp.	8,035	8,346	8,078	−268	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF LABOR—Continued						
WAGE AND LABOR STANDARDS						
General and special funds—Continued						
Salaries and expenses, Bureau of Labor Standards 652	NOA	3,675	3,243 B39	3,349	67	Increase is to intensify efforts to reduce accidents to Federal employees.
	Exp.	3,562	3,005	3,000	−5	
Intragovernmental funds:						
Advances and reimbursements, Bureau of Labor Standards 652	Exp.	39	----------	----------	----------	
General and special funds:						
Salaries and expenses, Women's Bureau 652	NOA	799	860 B11	888	17	Program will be carried on at 1966 level.
	Exp.	804	805	820	15	
Intragovernmental funds:						
Advances and reimbursements, Women's Bureau 652	Exp.	−31	7	----------	−7	
General and special funds:						
Salaries and expenses, Wage and Hour Division 652	NOA	20,952	20,886 A350 B264	22,256	756	The 1966 supplemental and the increase for 1967 reflect the cost of administering the Service Contract Act of 1965 (Public Law 89-286).
	Exp.	20,295	20,100 A306	21,000 A44	638	
Salaries and expenses, Bureau of Employees' Compensation 906	NOA	4,534	4,495 B51 C7	4,707	154	Increase to stabilize growing backlog will be partially offset by management improvements and increased productivity.
	Exp.	4,432	4,300	4,400	100	

Employees' compensation claims and expenses.....906	NOA	52,650	48,530	44,375	−4,155	Increase in claims payments is more than offset by rising reimbursements from the employing agencies.
	Exp.	52,658	45,540	40,375	−5,165	
Total, wage and labor standards.	NOA	82,610	78,014 [A]350 [B]365 [C]7	75,575	−3,161	
	Exp.	81,759	73,757 [A]306	69,595 [A]44	−4,424	
BUREAU OF LABOR STATISTICS						
Salaries and expenses.....652	NOA	18,542	19,725 [B]242	20,785	818	Increase is for improved statistics and statistical research on employment and unemployment, wages, prices, and productivity.
	Exp.	18,084	18,500	18,890	390	
Revision of the Consumer Price Index.....652	Exp.	88	15	.....	−15	(The revision has been completed.)
Intragovernmental funds: Advances and reimbursements.652	Exp.	−11	201	2	−199	
Total, Bureau of Labor Statistics.	NOA	18,542	19,725 [B]242	20,785	818	
	Exp.	18,161	18,716	18,892	176	
BUREAU OF INTERNATIONAL LABOR AFFAIRS						
General and special funds: Salaries and expenses.....652	NOA	882	1,204 [B]15	1,230	11	Increase for work in area of international labor organizations is partially offset by a decrease in labor-manpower technical services.
	Exp.	811	1,100	1,100	.....	
Intragovernmental funds: Advances and reimbursements.652	Exp.	−89	177	.....	−177	
Total, Bureau of International Labor Affairs.	NOA	882	1,204 [B]15	1,230	11	
	Exp.	722	1,277	1,100	−177	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF LABOR—Continued						
OFFICE OF THE SOLICITOR						
General and special funds:						
Salaries and expenses.....652	NOA	5,047	5,401 B68	5,451	−18	Decrease is in central office litigation activity.
	Exp.	4,851	5,100	5,150	50	
Limitation payable from Unemployment trust fund.		(136)	(139)	(140)	(1)	
OFFICE OF THE SECRETARY						
Salaries and expenses.....652	NOA	3,035	3,332 B35	3,685	318	Increase primarily reflects transfer of some administrative activities from the Bureaus.
	Exp.	2,809	3,050	3,010	−40	
Limitation payable from Unemployment trust fund.		(140)	(140)	(140)	.....	
Salaries and expenses, activities relating to admission and employment in agriculture of nonimmigrant aliens.....652	NOA	.....	1,723	.....	−1,723	This activity is included in 1967 in Bureau of Employment Security, Salaries and expenses and Office of the Solicitor, Salaries and expenses.
	Exp.	.....	800	.....	−800	

Federal contract compliance program 652	NOA		444 [B]7	689	228	Increase strengthens and provides for full-year cost of activities transferred from the President's Committee on Equal Employment Opportunity.
	Exp.		404	600	196	
President's Committee on Consumer Interests 652	NOA			327	327	Estimate provides a direct appropriation in lieu of interagency contributions.
	Exp.			300	300	
Intragovernmental funds:						
Working capital fund 652	Exp.	−61				
Advances and reimbursements 652	Exp.	−19				
Total, Office of the Secretary	NOA	3,035	5,499 [B]42	4,701	−840	
	Exp.	2,728	4,254	3,910	−344	
Total, Department of Labor	NOA	668,402	704,306	696,480 [A]−23,000	−30,826	
	Exp.	479,529	520,299 [A]1,719	538,607 [A]−17,064	−475	

POST OFFICE DEPARTMENT

Public enterprise funds:						
Contribution to the postal fund (indefinite) 505	NOA	781,207	674,400 [A]49,500 [B]205,770	836,128	−93,542	Estimated obligations of $5,916 million, less estimated revenues and reimbursements of $5,080 million, leave $836 million to be contributed. This is an increase of $251 million in obligations ($163 million for mail volume, $68 million for improved facilities and equipment, and $20 million to strengthen management and improve the level of service) and $351 million in revenue ($214 million from mail volume and $137 million from other sources). After deducting for public services, the deficit is estimated to be $187 million, compared to $375 million for 1966 and $281 million for 1965. The $49.5 million supplemental in 1966 is for greater than estimated mail volume, and 5-day workweek for postmasters as provided by recent legislation.
	Exp.	804,542	830,646 [A]47,393	752,522 [A]2,107	−123,410	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
POST OFFICE DEPARTMENT—Continued						
Public enterprise funds—Continued						
Authorizations and limitations on use of postal fund:						
Administration and regional operation.		(85,941)	(86,612) B (2,366)	(95,780)	(6,802)	(Increase is mainly to strengthen management.)
Research, development, and engineering.		(12,000)	(11,528)	(16,152)	(4,624)	(Increase is to accelerate development of improved mail handling processes.)
Operations		(4,241,059)	(4,310,260) A (41,500) B (203,404)	(4,725,374)	(170,210)	(Increase is for growth in mail volume (4.5%) and in delivery areas and to improve service.)
Transportation		(588,524)	(590,000) A (8,000)	(605,000)	(7,000)	(Increase due to growth in mail volume is offset by savings from more efficient use of transportation services.)
Building occupancy and postal supplies.		(199,476)	(221,000)	(239,822)	(18,822)	(Increase is for rental of new and improved postal space and for postal supplies to handle increased mail volume.)
Plant and equipment		(75,000)	(105,000)	(158,000)	(53,000)	(Increase is for renovation of facilities and purchase of vehicles and other equipment.)
Total authorizations out of postal fund.		(5,202,000)	(5,324,400) A (49,500) B (205,770)	(5,840,128)	(260,458)	
Total, Post Office Department.	NOA	**781,207**	**674,400** **A 49,500** **B 205,770**	**836,128**	**−93,542**	
	Exp.	804,542	634,932 A 47,393 B 195,714	742,466 A 2,107 B 10,056	−123,410	

DEPARTMENT OF STATE

ADMINISTRATION OF FOREIGN AFFAIRS						
General and special funds:						
Salaries and expenses.....151	NOA	**171,145**	**176,886** [B] **2,636**	**188,964**	**9,442**	Major increases are for cost rises abroad, new posts, consular and communication workloads, security, training, and aid to dependents' schools abroad.
	Exp.	175,024	171,013	179,700	8,687	
Representation allowances....151	NOA	**993**	**993**	**993**	.....	Provides for special expenses in promoting U.S. interests abroad, and participating in commemorative and ceremonial events.
	Exp.	983	990	990	.....	
Acquisition, operation, and maintenance of buildings abroad.151	NOA	**18,125**	**19,125**	**16,125**	**−3,000**	Provides for consolidated office space and living quarters for American employees.
	Exp.	23,129	12,000	15,300	3,300	
Acquisition, operation, and maintenance of buildings abroad (special foreign currency program).....151	NOA	**5,000**	**6,500**	**6,250**	**−250**	Provides funds for normal building needs and operating expenses in excess foreign currency countries.
	Exp.	3,067	5,000	6,000	1,000	
Emergencies in the diplomatic and consular service.....151	NOA	**2,000**	**1,600** [A] **500**	**1,600**	**−500**	Provides for relief and repatriation loans to U.S. citizens abroad and other emergencies. Supplemental for 1966 is for requirements in excess of earlier estimates.
	Exp.	2,063	1,600 [A] 300	1,600 [A] 200	−100	
Payment to Foreign Service retirement and disability fund..151	NOA	.....	[A] 45	.....	−45	An appropriation is required before benefits provided by the Foreign Service Annuity Adjustment Act of 1965 can be paid.
	Exp.	.....	[A] 45	.....	−45	
Extension and remodeling, State Department Building.....151	Exp.	174	200	93	−107	(All funds will be obligated or transferred to "Salaries and expenses" to meet increased pay costs by the end of 1966.)
Replacement of passenger motor vehicles sold abroad (permanent, indefinite, special fund) 151	NOA	**313**	**325**	**325**	.....	Proceeds available in 1967 will replace 135 vehicles.
	Exp.	410	300	300	.....	

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[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF STATE—Continued						
ADMINISTRATION OF FOREIGN AFFAIRS—Continued						
Intragovernmental funds:						
Working capital fund.....151	Exp.	−138	−35	−200	−165	(The fund was initiated in 1965 to finance publishing, supply, and other support services.)
Advances and reimbursements.151	Exp.	992	.....	.....	.....	
Total, administration of foreign affairs.	NOA	**197,576**	**205,429** **A 545** **B 2,636**	**214,257**	**5,647**	
	Exp.	205,705	191,068 A 345	203,783 A 200	12,570	
INTERNATIONAL ORGANIZATIONS AND CONFERENCES						
General and special funds:						
Contributions to international organizations.....151	NOA	**87,548**	**96,953** **B −1,375**	**100,826**	**5,248**	Increase reflects expansion of programs of most international organizations, requiring higher U.S. contributions to their assessed budgets.
	Exp.	86,790	95,600	100,800	5,200	
Missions to international organizations.....151	NOA	**3,345**	**3,375** **B 59**	**3,784**	**359**	Increase due to slight staff build-up at missions to UN and UNESCO, and higher operating costs at all missions.
	Exp.	3,287	3,356	3,622	266	
International conferences and contingencies.....151	NOA	**1,943**	**1,943**	**2,045**	**102**	Increase due to higher U.S. contributions to new or provisional organizations.
	Exp.	1,889	1,900	1,942	42	

International tariff negotiations 151	NOA	850	850	850	----------	Estimate will provide funds for tariff negotiations in Geneva.
	Exp.	676	800	850	50	
Loan to the United Nations..151	Exp.	----------	17,384	----------	−17,384	(Estimate reflects the amount of U.N. bonds the United States may purchase to match pledges by other nations.)
Total, international organizations and conferences.	NOA	93,686	103,121 [B] −1,316	107,505	5,700	
	Exp.	92,642	119,040	107,214	−11,826	
INTERNATIONAL COMMISSIONS						
International Boundary and Water Commission, United States and Mexico:						
Salaries and expenses.....401	NOA	815	815 [B] 17	831	−1	Provides funds for preliminary investigations to determine need and feasibility of joint projects for solution of boundary problems.
	Exp.	734	832	831	−1	
Operation and maintenance.401	NOA	1,987	2,025	1,985	−40	Decrease reflects lower maintenance costs and requirements for the accumulation of basic stream flow and hydrologic data.
	Exp.	1,913	2,025	1,985	−40	
Construction.....401	NOA	8,298	10,883	5,454	−5,429	Work on Amistad Dam will continue. Lower Rio Grande flood control and Nogales sanitation projects will be completed.
	Exp.	8,743	10,000	9,000	−1,000	
Chamizal settlement.....401	NOA	30,000	6,640	4,440	−2,200	Lower requirements are due to acceleration of land acquisitions and construction in 1966.
	Exp.	2,703	13,000	12,000	−1,000	
American sections, international commissions.....401	NOA	472	475 [A] 32	683	176	Increase is largely for full-year cost of the Lake Ontario Claims Tribunal. Supplemental in 1966 is for preparing claims for that Tribunal.
	Exp.	425	450 [A] 32	605	123	
International fisheries commissions.....404	NOA	2,025	2,125	2,150	25	Provides U.S. share of 8 international fisheries commissions and expenses of the U.S. Commissioners.
	Exp.	1,970	2,000	2,050	50	
Facilities for International Pacific Halibut Commission.....404	NOA	----------	500	----------	−500	Grant to the University of Washington for the construction and maintenance of a laboratory and offices for the Commission.
	Exp.	----------	300	200	−100	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DEPARTMENT OF STATE—Continued						
INTERNATIONAL COMMISSIONS—Continued						
General and special funds—Continued						
Restoration of salmon runs, Fraser River system, International Pacific Salmon Fisheries Commission 404	Exp.	.....	51	.....	−51	(Activities under this account will be completed in 1966.)
Total, international commissions.	NOA	43,597	23,463 A 32 B 17	15,543	−7,969	
	Exp.	16,489	28,658 A 32	26,671	−2,019	
EDUCATIONAL EXCHANGE						
Mutual educational and cultural exchange activities 153	NOA	44,998	53,000	50,000	−3,000	Decrease reflects reductions in special projects, cultural presentations, and exchange of persons.
	Exp.	47,025	46,430	49,220	2,790	
International educational exchange activities (special foreign currency program) 153	Exp.	6,395	6,000	3,000	−3,000	(Expenditures will continue until prior appropriations are exhausted.)
Center for Cultural and Technical Interchange Between East and West 153	NOA	5,300	5,800	6,050	250	Increase is for pre-construction planning for a new library building.
	Exp.	4,385	4,815	5,250	435	
Preservation of ancient Nubian monuments (special foreign currency program) 153	Exp	114	411	.....	−411	(These funds are expected to be fully spent in 1966.)

Educational, scientific, and cultural activities 153	Exp.	3	9	----------	−9	(These funds are expected to be fully spent in 1966.)
Educational exchange permanent appropriations (indefinite, special funds) 153	NOA	**375**	**353**	**353**	----------	Payments by Finland on World War I debts are used for educational exchanges with Finland.
	Exp.	435	405	375	−30	
Total, educational exchange	NOA	**50,673**	**59,153**	**56,403**	**−2,750**	
	Exp.	58,358	58,070	57,845	−225	
OTHER						
Migration and refugee assistance	NOA	**8,200**	**7,575**	**6,050**	**−1,896**	Decrease reflects less U.S. support for migration and refugee programs, partially offset by new requirements for Cuban refugees and a contribution to the International Committee of the Red Cross.
Reappropriation 152	NOA	----------	**371**			
	Exp.	6,748	7,200	6,350	−850	
Presentation of a statue to Mexico 151	NOA	----------	**100**	----------	**−100**	Statue of Lincoln will be presented in commemoration of Mexican independence, as authorized by law.
	Exp.	----------	50	50	----------	
Rama Road, Nicaragua 152	Exp.	1,122	900	783	−117	(Completion of the road is anticipated in 1967.)
Payment to the Republic of Panama (permanent) 151	NOA	**1,930**	**1,930**	**1,930**	----------	Annual payment is made under treaty for Panama Canal rights. $430 thousand of this is recovered from the Panama Canal Company.
	Exp.	1,930	1,930	1,930	----------	
Total, other	NOA	**10,130**	**9,976**	**7,980**	**−1,996**	
	Exp.	9,800	10,080	9,113	−967	
Total, Department of State	NOA	**395,662**	**401,142** **[A] 577** **[B] 1,337**	**401,688**	**−1,368**	
	Exp.	382,993	405,646 [A] 377 [B] 1,270	404,559 [A] 200 [B] 67	−2,467	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
TREASURY DEPARTMENT						
OFFICE OF THE SECRETARY						
General and special funds:						
Salaries and expenses 904	NOA	5,907	6,280 [A] 24 [B] 114	6,999	581	Supplemental in 1966 is for wage board increases. Increase in 1967 provides for more effective program analysis and planning, and for strengthening the tax research program.
	Exp.	5,797	6,281 [A] 23	6,898 [A] 1	595	
Expenses of administration of settlement of War Claims Act of 1928 (permanent, indefinite, special fund) 904	NOA	13	15	16	1	Funds are appropriated from a receipt account for administrative expenses of paying awards under the act.
	Exp.	14	15	16	1	
Federal control of transportation systems 904	Exp.	.....	1	1	.....	
Public enterprise funds:						
Liquidation of corporate assets: Reconstruction Finance Corporation liquidation fund ... 904	Exp.	19	.....	.....	.....	(The fund was closed as of Dec. 31, 1964.)
Civil defense loans: Civil defense program fund 059	Exp.	−28	.....	.....	.....	(The fund was closed as of Dec. 31, 1964.)
Liquidation of Federal Farm Mortgage Corporation 904	Exp.	−277	−32	1	33	(Collections from Federal land banks will be completed in 1966.)

Intragovernmental funds:						
Advances and reimbursements 904	Exp.	1	----------	----------	----------	
Total, Office of the Secretary	NOA	**5,920**	**6,295** [A] 24 [B] 114	**7,015**	**582**	
	Exp.	5,526	6,265 [A] 23	6,916 [A] 1	629	
BUREAU OF ACCOUNTS						
General and special funds:						
Salaries and expenses 904	NOA	**32,764**	**33,499**	**32,988**	**−511**	Decrease reflects increased productivity and 1966 nonrecurring equipment purchases.
	Exp.	26,140	31,296	32,475	1,179	
Salaries and expenses, Division of Disbursement 904	Exp.	5,974	57	----------	−57	(This appropriation was merged with "Salaries and expenses, Bureau of Accounts" in 1965.)
Claims, judgments, and relief acts:						
Current, definite 910	NOA	**65,508**	**26,933**	----------	**−26,933**	Prospective requirements for the remainder of 1966 and 1967 are uncertain and are covered by the allowance for contingencies.
	Exp.	65,524	24,654	----------	−24,654	
Permanent, definite 910	NOA	**7**	**6**	**6**	----------	Statutory award is paid annually as a result of a private relief act.
	Exp.	7	6	6	----------	
Permanent, indefinite 910	NOA	**8,893**	**9,000**	**9,000**	----------	Judgments of $100 thousand or less are paid from this permanent appropriation.
	Exp.	8,893	9,000	9,000	----------	
Interest on uninvested funds (permanent, indefinite) 853	NOA	**11,752**	**12,459**	**12,777**	**318**	Interest increases as balances increase on open-book balances of 8 trust funds.
	Exp.	11,752	12,459	12,777	318	
John F. Kennedy Memorial Fund 910	Exp.	1	----------	----------	----------	(Gifts to the United States in memory of President Kennedy are used for the purposes specified.)

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
TREASURY DEPARTMENT—Continued						
BUREAU OF ACCOUNTS—Con.						
Public enterprise funds:						
Fund for payment of Government losses in shipment.....904	Exp.	44	54	54	.....	(Fund covers losses in shipment of certain Government property and losses in redemption of savings bonds.)
Total, Bureau of Accounts...	NOA	**118,924**	81,897	**54,771**	**−27,126**	
	Exp.	118,336	77,526	54,312	−23,214	
BUREAU OF CUSTOMS						
General and special funds:						
Salaries and expenses.....904	NOA	78,821	82,099 A 120 B 1,923	86,189	**2,047**	Supplemental in 1966 is for wage board increases. Increase in 1967 will add manpower to meet greater work volume and strengthen enforcement.
	Exp.	77,953	80,021 A 115	84,418 A 5	4,287	
BUREAU OF ENGRAVING AND PRINTING						
Air conditioning the Bureau of Engraving and Printing buildings.....904	NOA	**5,750**	.....	.....	.....	(The installation will be completed with balances of prior appropriations.)
	Exp.	272	3,000	2,543	−457	
Intragovernmental funds:						
Bureau of Engraving and Printing fund.....904	Exp.	906	888	115	−773	(Decrease results from major expenditures for equipment in 1966 nonrecurring in 1967.)
Total, Bureau of Engraving and Printing.	NOA	**5,750**	.....	.....	.....	
	Exp.	1,178	3,888	2,658	−1,230	

BUREAU OF THE MINT						
General and special funds:						
Salaries and expenses.....904	NOA	**14,659**	**26,350**	**31,500**	**5,150**	Increase raises the level of coin production from 11.2 billion in 1966 to 15.1 billion in 1967.
	Exp.	13,151	24,314	31,595	7,281	
Construction of mint facilities.904	NOA	**16,000**	**22,300**	----------	**−22,300**	Funds appropriated in 1965 and 1966 are sufficient to complete construction of the Philadelphia mint.
Reappropriation.....	NOA	**500**				
	Exp.	94	8,506	16,400	7,894	
Coinage profit fund (permanent, indefinite, special fund)....904	NOA	**959**	1,724	**3,140**	**1,416**	Increase in appropriation of seigniorage is for transportation and other costs related to the production of additional coins.
	Exp.	694	2,100	3,140	1,040	
Silver profit fund (permanent, indefinite, special fund).....904	NOA	**3,078**	----------	----------	----------	(Beginning in 1967 this fund is merged with the coinage profit fund.)
	Exp.	1,407	1,084	----------	−1,084	
Total, Bureau of the Mint...	NOA	**35,195**	**50,374**	**34,640**	**−15,734**	
	Exp.	15,346	36,004	51,135	15,131	
BUREAU OF NARCOTICS						
Salaries and expenses.....908	NOA	**5,657**	**5,856** [B] **80**	**6,138**	**202**	Additional agent personnel will be assigned to selected overseas posts to impede the illicit traffic in narcotic drugs.
	Exp.	5,458	5,916	6,007	91	
BUREAU OF THE PUBLIC DEBT						
Administering the public debt.904	NOA	**50,237**	**51,330** [B] **360**	**51,894**	**204**	Increase is primarily for additional fees to paying agents for the redemption of savings bonds.
	Exp.	49,651	49,541	51,088	1,547	

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[B] Proposed for separate transmittal civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
TREASURY DEPARTMENT—Continued						
COAST GUARD						
General and special funds—Continued						
Operating expenses.....502	NOA	273,749	283,972 [C]9,400	322,197	28,825	Beginning in 1967 the Coast Guard will operate all U.S. deep draft ice breakers, 5 such ships being transferred from the Navy. Increase will operate new vessels, aircraft, and shore establishments.
	Exp.	272,757	272,535	308,600	36,065	
Acquisition, construction, and improvements.....502	NOA	85,000	115,510	[D]103,000	−12,510	Estimate provides for construction of 3 replacement vessels, the acquisition of 8 replacement aircraft, 10 helicopters to support icebreaker operations and construction or replacement of other facilities.
	Exp.	55,999	73,685	80,000	6,315	
Retired pay.....502	NOA	36,961	40,000 [C]1,000	44,250	3,250	A net average increase of 732 persons on the retired rolls is expected.
	Exp.	37,061	41,000	43,250	2,250	
Reserve training.....502	NOA	20,939	22,500 [C]1,050	24,031	481	Increase permits acceleration of the program providing 2 years of extended active duty, a slight increase in drill training, and improvement of training facilities.
	Exp.	20,848	22,550	22,030	−520	
Intragovernmental funds:						
Coast Guard supply fund.....502	Exp.	−216	431	425	−6	(Receipts will exceed expenditures slightly in a $24.7 million program.)
Coast Guard yard fund.....502	Exp.	44	−91	44	135	(Receipts about equal expenditures in a $15.8 million program.)
Total, Coast Guard.....	NOA	416,649	461,982 [C]11,450	493,478	20,046	
	Exp.	386,493	410,110	454,349	44,239	

INTERNAL REVENUE SERVICE

General and special funds:						
Salaries and expenses.....904	NOA	**16,841**	**17,578** [B]**381**	**18,692**	**733**	Increase is primarily to strengthen efforts to assure integrity in tax administration and enforcement.
	Exp.	38,882	16,969	18,043	1,074	
Revenue accounting and processing.....904	NOA	**151,995**	**159,460** [B]**3,472**	**169,529**	**6,597**	Increase will finance the final steps in conversion to the nationwide master file processing system.
	Exp.	138,147	156,567	162,644	6,077	
Compliance.....904	NOA	**429,533**	**438,343** [B]**10,305**	**467,845**	**19,197**	Increase will provide the manpower to cover an increase in number of tax returns from 102.8 million in 1966 to 104.1 million in 1967.
	Exp.	409,598	432,155	448,706	16,551	
Refunding internal revenue collections, interest (permanent, indefinite).....852	NOA	**77,419**	**91,200**	**90,900**	**−300**	Interest is paid at 6% per annum on internal revenue collections which must be refunded.
	Exp.	77,237	91,065	90,765	−300	
Internal revenue collections for Puerto Rico (permanent, indefinite).....910	NOA	**45,100**	**46,000**	**46,000**	.....	Taxes on articles produced in Puerto Rico are paid to Puerto Rico.
	Exp.	42,941	43,000	45,000	2,000	
Total, Internal Revenue Service.	NOA	**720,888**	**752,581** [B]**14,158**	**792,966**	**26,227**	
	Exp.	706,806	739,756	765,158	25,402	

[B] Proposed for separate transmittal, civilian pay increase supplemental.
[C] Proposed for separate transmittal, military pay increase supplemental.
[D] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
TREASURY DEPARTMENT—Continued						
OFFICE OF THE TREASURER						
General and special funds—Continued						
Salaries and expenses.....904	NOA	6,175	6,350 B60	6,348	−62	Increased workload is being handled with smaller staff through increased productivity and other management savings.
	Exp.	6,342	6,343	6,328	−15	
Public enterprise funds:						
Check forgery insurance fund..904	Exp.	2	4	2	−2	(This fund covers settlements of checks paid on forged endorsements.)
Total, Office of the Treasurer..	NOA	6,175	6,350 B60	6,348	−62	
	Exp.	6,344	6,347	6,330	−17	
U.S. SECRET SERVICE						
General and special funds:						
Salaries and expenses.....908	NOA	8,310	11,972	14,628	2,656	The increase is principally to finance activities transferred from "Salaries and expenses, White House Police" and "Salaries and expenses, Guard Force."
	Exp.	7,725	11,079	14,325	3,246	
Salaries and expenses, White House Police.....903	NOA	1,859	1,866	.....	−1,866	Activities transferred to "Salaries and expenses, Secret Service."
	Exp.	1,828	1,867	61	−1,806	
Salaries and expenses, guard force.....904	NOA	436	434 B11	.....	−445	Activities transferred to "Salaries and expenses, Secret Service."
	Exp.	412	447	16	−431	

Contribution for annuity benefits (permanent, indefinite).....903	NOA	498	530	560	30	The District of Columbia is reimbursed for benefit payments made for Secret Service employees.
	Exp.	498	530	560	30	
Total, U.S. Secret Service...	NOA	11,103	14,802 [B]11	15,188	375	
	Exp.	10,462	13,923	14,962	1,039	
INTEREST ON THE PUBLIC DEBT						
Interest on the public debt (permanent, indefinite).....851	NOA	11,346,455	12,000,000	12,750,000	750,000	The increase reflects a higher average level of outstanding debt, and a higher average rate of interest.
	Exp.	11,346,455	12,000,000	12,750,000	750,000	
Total, Treasury Department.	NOA	12,801,774	13,513,566 [A]144 [B]16,706 [C]11,450	14,298,627	756,761	
	Exp.	12,730,006	13,401,750 [A]138 [B]16,097 [C]11,450	14,246,724 [A]6 [B]609	817,904	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
ATOMIC ENERGY COMMISSION						
General and special funds:						
Operating expenses.....058	NOA	2,261,555	2,121,898	[Q] 1,985,000	−136,898	Estimate provides increases for basic research in the physical and biomedical sciences, for programs to develop the civilian applications of radioisotopes and nuclear explosives, and to conduct training, education, and scientific information activities; these increases are more than offset by decreases in procurement of uranium concentrates, production of special nuclear materials, and the weapons program.
	Exp.	2,254,469	2,050,000	1,995,000	−55,000	
Plant and capital equipment..058	NOA	363,000	243,995	[R] 278,200	34,205	Estimate provides for a higher level of funding for construction projects in support of research and development programs, offset in part by some reduction in procurement of equipment.
	Exp.	364,856	340,000	305,000	−35,000	
Intragovernmental funds:						
Advances and reimbursements.058	Exp.	5,671	.....	.....	.....	
Total, Atomic Energy Commission.	NOA	2,624,555	2,365,893	2,263,200	−102,693	
	Exp.	2,624,996	2,390,000	2,300,000	−90,000	
FEDERAL AVIATION AGENCY						
General and special funds:						
Operations.....501	NOA	551,900	546,989 [B] 9,500	561,500	5,011	Increased costs of operating newly commissioned airways facilities and of handling increasing air traffic will be partially offset by productivity improvements and other cost reduction measures.
	Exp.	549,407	543,000	550,000	7,000	
Facilities and equipment.....501	NOA	50,000	49,800	28,000	−21,800	The 1967 estimate together with balances of prior year appropriations will provide for further improvements in the Federal airways system. A major portion of the 1967 estimate is for devices to automate certain traffic control activities.
	Exp.	77,942	65,000	73,000	8,000	

Research and development...501	NOA	40,000	37,500	30,000	−7,500	Efforts will be continued to develop and perfect equipments to enhance the reliability and capacity of the airways system. Stress will be on further development of semiautomatic equipments to improve air traffic control.
	Exp.	35,768	35,000	30,000	−5,000	
Operation and maintenance, Washington National Airport 501	NOA	3,623	3,678 [B]54	3,779	47	Airport services will be provided at approximately the present level. Receipts to the general fund recover the costs.
	Exp.	3,724	3,540	3,600	60	
Operation and maintenance, Dulles International Airport 501	NOA	4,379	4,528 [B]62	4,707	117	Airport services will be provided at approximately the present level.
	Exp.	4,760	4,157	4,500	343	
Construction, Washington National Airport.....501	NOA	1,710	1,050	.....	−1,050	
	Exp.	2,640	3,000	2,100	−900	(Expenditures decline with the completion of various improvement projects.)
Construction, Dulles International Airport.....501	NOA	180	200	.....	−200	Needed improvements and contractor claims will be financed by balances proposed to be transferred from the account, "Construction and development, additional Washington Airport."
	Exp.	431	303	1,800	1,497	
Grants-in-aid for airports:						
Permanent.....501	NOA	.....	75,000	71,000	−25,000	The 1967 budget language proposes to cancel $21 million of the amounts appropriated in 1966 for airport grants in 1967. Balance will be used for high priority airport improvement projects.
Current.....	NOA	75,000	.....	−21,000		
Liquidation of contract authorization.		(7,000)	.....	.....	.....	
	Exp.	70,598	65,000	60,000	−5,000	
Civil supersonic aircraft development.....501	NOA	.....	140,000	80,000	−60,000	Estimate is to complete funding of an 18-month detailed design competition planned for completion by mid-1967.
	Exp.	47,922	80,000	115,000	35,000	
Construction and development, additional Washington airport.501	Exp.	1,420	1,000	.....	−1,000	(Balances in this account are proposed for transfer to "Construction, Dulles International Airport.")
Total, Federal Aviation Agency.	NOA	726,792	858,745 [B]9,616	757,986	−110,375	
	Exp.	794,613	790,890 [B]9,110	839,494 [B]506	40,000	

[B] Proposed for separate transmittal, civilian pay increase supplemental.
[Q] Includes $1,978,820 thousand to carry out authorizing legislation to be proposed.
[R] Includes $277,500 thousand to carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
GENERAL SERVICES ADMINISTRATION						
REAL PROPERTY ACTIVITIES						
General and special funds:						
Operating expenses, Public Buildings Service 905	NOA	225,326	232,686 [A] 3,700 [B] 900	241,015	3,729	Supplemental in 1966 is for wage board increases. Increase in 1967 is primarily for operation of new Federal buildings scheduled for occupancy in 1966 and 1967 partly offset by rent savings on space released.
	Exp.	226,407	232,285 [A] 3,700	239,903	3,918	
Repair and improvement of public buildings 905	NOA	90,000	87,500	80,000	−7,500	Decrease is due to deferral of lower priority projects.
	Exp.	82,730	83,000	75,000	−8,000	
Construction, public buildings projects 905	NOA	164,718	133,603	170,277	36,674	Estimate includes funds for construction of 33 buildings, partial construction of 2 buildings, and completion of 1 project.
	Exp.	136,033	154,000	165,000	11,000	
Sites and expenses, public buildings projects 905	NOA	20,109	19,530	12,786	−6,744	Estimate provides for design and site acquisition, where necessary, for 10 public building projects.
	Exp.	28,494	26,000	23,000	−3,000	
Payments, public buildings purchase contracts 905	NOA	9,885	3,380	6,746	3,366	Request provides for full prepayment of 1 lease-purchase contract and annual payments on the remaining 5 contracts.
	Exp.	9,840	3,380	6,746	3,366	
Expenses, U.S. court facilities 905	NOA	1,031	1,560	1,849	289	Request provides for space expansion and for furniture and furnishings of U.S. courts.
	Exp.	1,014	1,650	1,827	177	
Additional court facilities 905	Exp.	3,144	2,200	2,000	−200	(Appropriations in prior years will complete facilities for 73 additional judges.)
Real property miscellaneous accounts 905	Exp.	5,702	12,727	8,200	−4,527	(Expenditures are for a construction grant, payments of prior obligations and claims, and construction financed by prior year appropriations, including construction of Federal Office Building No. 7 in Washington, D.C.)

Intragovernmental funds:						
Buildings management fund..905	Exp.	16,195	−6,466	−750	5,716	(Operating costs are estimated at $361.9 million.)
Construction services, public buildings.....905	Exp.	−3,608	−500	.....	500	(Operating costs are estimated at $17.4 million.)
Advances and reimbursements, real property activities.....905	Exp.	−56	84	.....	−84	
Total, real property activities.	NOA	**511,069**	**478,259** **[A] 3,700** **[B] 900**	**512,673**	**29,814**	
	Exp	505,895	508,360 [A] 3,700	520,926	8,866	
PERSONAL PROPERTY ACTIVITIES						
General and special funds:						
Operating expenses, Federal Supply Service.....905	NOA	**54,020**	**59,045** **[B] 806**	**60,306**	**455**	The increase will support a greater volume of supply sales to Government agencies at lower unit costs resulting from management improvements.
	Exp.	53,426	59,596	60,295	699	
Expenses, supply distribution..905	Exp.	.....	10	.....	−10	
Intragovernmental funds:						
General supply fund.....905	Exp.	13,356	−23,524	−157	23,367	Sales to military and civil agencies are estimated at $752 million in 1966 and $775 million in 1967.
Total, personal property activities.	NOA	**54,020**	**59,045** **[B] 806**	**60,306**	**455**	
	Exp.	66,782	36,082	60,138	24,056	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
GENERAL SERVICES ADMINISTRATION—Continued						
UTILIZATION AND DISPOSAL ACTIVITIES						
General and special funds:						
Operating expenses, Utilization and Disposal Service.....905	NOA	9,512	9,477	9,346	−131	Decrease reflects management improvement actions.
	Exp.	8,961	9,400	9,300	−100	
Expenses, disposal of surplus real and related personal property (permanent, indefinite, special fund).....905	NOA	838	1,000	1,000	.....	Proceeds of sales are appropriated for certain expenses of disposals.
	Exp.	752	1,000	1,000	.....	
Total, utilization and disposal activities.	NOA	10,350	10,477	10,346	−131	
	Exp.	9,713	10,400	10,300	−100	
RECORDS ACTIVITIES						
Operating expenses, National Archives and Records Service..905	NOA	15,837	16,322 B336	16,979	321	Increase is primarily for records center activities. Records in custody will total 9.3 million cubic feet in 1967, an increase of 0.3 million cubic feet over 1966.
	Exp.	15,746	16,504	16,917	413	
National historical publications grants.....905	NOA	350	350	350	.....	Estimate provides for collecting, reproducing, and publishing source material significant to U.S. history.
	Exp.	264	436	350	−86	
Total, records activities....	NOA	16,187	16,672 B336	17,329	321	
	Exp.	16,010	16,940	17,267	327	

TRANSPORTATION AND COMMUNICATIONS ACTIVITIES						
Operating expenses, Transportation and Communications Service 905	NOA	5,709	5,844	6,192	348	Increase is for continued development and management of the Federal Telecommunications System and for additional assistance to agencies in improving transportation management.
	Exp.	5,548	5,953	6,171	218	
Intragovernmental funds: Federal telecommunications fund 905	Exp.	1,834	−636	−1,656	−1,020	(Operating costs are estimated at $88.1 million.)
Total, transportation and communications activities.	NOA	5,709	5,844	6,192	348	
	Exp.	7,382	5,317	4,515	−802	
DEFENSE MATERIALS ACTIVITIES						
General and special funds: Strategic and critical materials 059	NOA	17,874	17,400	19,847	2,447	Increase will accelerate disposal of strategic and critical materials excess to national requirements.
	Exp.	16,284	17,200	19,700	2,500	
Public enterprise funds: Abaca fiber program 059	Exp.	3	----------	----------	----------	(Fund liquidated in 1965.)
Intragovernmental funds: Advances and reimbursements 059	Exp.	68	100	100	----------	
Total, defense materials activities.	NOA	17,874	17,400	19,847	2,447	
	Exp.	16,355	17,300	19,800	2,500	
GENERAL ACTIVITIES						
General and special funds: Salaries and expenses, Office of Administrator 905	NOA	1,628	1,683	1,700	17	Estimate provides for policy direction, review of appeals, legislative programs, and assistance to business concerns.
	Exp.	1,577	1,683	1,700	17	
Allowances and office facilities for former Presidents 903	NOA	310	235	235	----------	Account provides for 2 former Presidents and the widow of a former President.
	Exp.	269	235	235	----------	

[3] Proposed for separate transmittal, civilian pay increase supplemental.

200-000 O—66——21

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
GENERAL SERVICES ADMINISTRATION—Continued						
GENERAL ACTIVITIES—Continued						
General and special funds—Continued						
Expenses, Presidential transition 903	NOA	400				(This appropriation provided financing to carry out the purpose of the Presidential Transition Act of 1963.)
	Exp.	72	1		−1	
Allowances and expenses for Mrs. Jacqueline Bouvier Kennedy 903	NOA	25				
	Exp.	55	3		−3	
Refunds under Renegotiation Act (interest) 905	Exp.	12	40	25	−15	(Interest on remaining refunds is covered by balances of prior appropriations.)
Salaries and expenses, automatic data processing coordination 905	NOA		200	672	472	Provides funds for carrying out Governmentwide automatic data processing activities.
	Exp.		175	640	465	
Public enterprise funds:						
Reconstruction Finance Corporation liquidation fund 905	Exp.	−218	−123	−128	−5	(Volume of receipts declines as liquidation continues.)
Intragovernmental funds:						
Administrative operations fund 905	Exp.	−494	−500	−600	−100	
Limitation on use of fund.		(20,722)	(15,647) [B] (361)	(16,094)	(86)	
Working capital fund 905	NOA	100	100	200	100	Request provides capital to support operation of printing and reproduction facilities.
	Exp.	264	100	175	75	
Total, general activities	NOA	2,462	2,218	2,807	589	
	Exp.	1,537	1,614	2,047	433	

Subtotal, General Services Administration.	NOA	617,671	589,915 [A]3,700 [B]2,042	629,500	33,843	
	Exp.	623,676	596,013 [A]3,700	634,993	35,280	
Less: Court facilities and furnishings items transferred to The Judiciary (contra)..... 905	NOA	1,031	1,560	1,849	289	
	Exp.	1,344	1,864	2,005	141	
Total, General Services Administration.	NOA	616,640	588,355 [A]3,700 [B]2,042	627,651	33,554	
	Exp.	622,332	592,214 [A]3,700 [B]1,935	632,881 [B]107	35,139	

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

General and special funds:						
Research and development.... 251	NOA	4,360,049	4,503,104	[D]4,246,600	−256,504	Decrease is a result of the near completion of funding for the Gemini program; reduced requirements for Surveyor, Orbiter, Centaur Launch Vehicles, and Launch Vehicle Procurement; as partially offset by an increase for operation of worldwide tracking networks.
	Exp.	3,984,456	4,520,000	4,340,000	−180,000	
Construction of facilities..... 251	NOA	266,426	60,000	[D]101,500	41,500	Increase results from new facilities necessary to support continuing programs.
	Exp.	530,902	495,000	300,000	−195,000	
Administrative operations.... 251	NOA	623,253	611,820	[D]663,900	52,080	Increase provides additional personnel and support for the Apollo program and the planned staffing of the Electronics Research Center.
	Exp.	577,546	585,000	660,000	75,000	
Total, National Aeronautics and Space Administration.	NOA	5,249,727	5,174,924	5,012,000	−162,924	
	Exp.	5,092,904	5,600,000	5,300,000	−300,000	

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[B] Proposed for separate transmittal, civilian pay increase supplemental.
[D] To carry out authorizing legislation to be proposed.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
VETERANS ADMINISTRATION						
General and special funds:						
General operating expenses...805	NOA	**162,870**	**160,227** [B] **1,000**	**159,330**	**−1,897**	The decrease is due to increased productivity, a small decline in workload, savings from the recent reorganization of field installations, and other management improvements.
	Exp.	161,322	161,032	158,685	−2,347	
Medical administration and miscellaneous operating expenses 804	NOA	**14,896**	**13,496**	**14,217**	**721**	Increase provides for strengthening administration of medical program.
	Exp.	14,118	13,649	14,000	351	
Medical and prosthetic research 804	NOA	**37,783**	**40,893** [B] **365**	**43,629**	**2,371**	The increase provides for program growth as part of planned development of activity.
	Exp.	37,055	42,600	43,000	400	
Medical care.....804	NOA	**1,154,409**	**1,191,950** [B] **17,456**	**1,265,437**	**56,031**	The increase provides for activation of 5 new hospitals, new types of medical services in existing hospitals, and increased staffing and equipment to improve quality of care.
	Exp.	1,137,599	1,201,592	1,245,000	43,408	
Compensation and pensions:						
(Veterans service-connected compensation).....801	NOA	**2,176,200**	**2,174,200** [A] **136,953**	**2,309,202**	**−1,951**	Supplemental in 1966 is for increases in caseload and in average annual payments. The decrease in 1967 anticipates a slight decline in caseload.
	Exp.	2,176,200	2,174,200 [A] 136,900	2,306,947 [A] 53	−4,100	
(Veterans non-service-connected pensions).....802	NOA	**1,863,900**	**1,900,300** [A] **100,936**	**1,982,649**	**−18,587**	The 1967 decrease is due to a slight decline in number of veterans receiving pension. The 1966 supplemental is for increases in average annual payments.
	Exp.	1,863,744	1,900,300 [A] 100,900	1,977,964 [A] 36	−23,200	

(Other veterans benefits and services) 805	NOA	69,200	67,500 [A] 50,111	82,149	−35,462	The 1966 supplemental primarily covers costs of one-time death gratuity provided by Public Law 89-214 for survivors of specified veterans.
	Exp.	69,200	67,500 [A] 50,100	79,989 [A] 11	−37,600	
Total, compensation and pensions.	NOA	4,109,300	4,142,000 [A] 288,000	4,374,000	−56,000	
	Exp.	4,109,144	4,142,000 [A] 287,900	4,364,900 [A] 100	−64,900	
Readjustment benefits 803	NOA	48,850	36,500 [A] 5,000	42,400 [A] 100,000	100,900	The supplemental in 1966 and increase in 1967 will fund recent legislation liberalizing the vocational rehabilitation program for disabled veterans and increasing educational allowances for war orphans and children of totally disabled veterans. The 1967 supplemental will provide educational and training benefits for those who have recently completed military service.
	Exp.	49,424	37,876 [A] 5,000	42,000 [A] 90,000	89,124	
Veterans insurance and indemnities 805	NOA	14,450	9,900	3,500	−6,400	The decrease results from lower payments to the National service life insurance fund and completion of payments to beneficiaries of servicemen who died prior to Jan. 1, 1957.
Permanent, indefinite, special fund.	NOA	644	650	670	20	
	Exp.	22,067	17,770	12,650	−5,120	
Grants to the Republic of the Philippines 804	NOA	386	386	386	----------	Estimate is for medical care and treatment of a daily average of 149 Philippine Commonwealth Army veterans.
	Exp.	360	386	386	----------	
Construction of hospital and domiciliary facilities 804	NOA	98,103	90,512	52,125	−38,387	Proposal for 1967 provides for the seventh increment of a $1.2 billion program for modernization of medical facilities, and for planning and construction of research facilities.
	Exp.	80,558	83,200	73,000	−10,200	
Grants for construction of State nursing homes 804	NOA	----------	2,500	4,000	1,500	Provides for grants to States to construct nursing home facilities for care of war veterans.
	Exp.	----------	500	875	375	
Construction—Corregidor-Bataan Memorial 805	NOA	100	1,400	----------	−1,400	The memorial will be substantially completed in 1967.
	Exp.	11	250	1,000	750	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
VETERANS ADMINISTRATION—Continued						
Public enterprise funds:						
Canteen service revolving fund 805	Exp.	−892	−139	−81	58	(Receipts of $57.8 million from canteen sales to hospital patients and staff approximately offset expenses.)
Direct loan revolving fund (authorization to spend debt receipts): 803						
Permanent	NOA	150,000		100,000		New loans decline as World War II veterans entitlement is expiring. Receipts from sales and unobligated balances allow cancellation of permanent NOA of $100 million which would otherwise become available for 1967. (Receipts from mortgage sales more than offset expenditures. Because of high sales of pool participations in 1966 availability for sale will be small and sales will decline in 1967.)
Current	NOA			−100,000		
	Exp.	−129,834	−639,906	−194,982	444,924	
Loan guaranty revolving fund 803	Exp.	38,301	−142,712	−85,475	57,237	(Foreclosures are expected to decline. Receipts from mortgage sales more than offset expenditures. Because of high sales of pool participations in 1966 availability for sale will be small and sales will decline in 1967.)
Rental, maintenance, and repair of quarters 805	Exp.	−3				(Receipts from rental housing offset maintenance costs.)
Service-disabled veterans insurance fund 805	Exp.	447	257	−169	−426	(Receipts from premiums and the "insurance and indemnities" appropriation cover expenditures of $11.7 million, mainly death claims.)
Soldiers' and sailors' civil relief 803	NOA		25		−25	Fund has sufficient capital to eliminate need for additional funds.
	Exp.	24	15	−1	−16	(A small volume of claims will be partly offset by repayments.)

Veterans reopened insurance fund 805	Exp.	−1,711	−5,699	−16,958	−11,259	(Application period for new insurance for disabled veterans closes in May 1966. Receipts exceed payments.)
Veterans special term insurance fund 805	Exp.	−26,958	−28,721	−28,941	−220	(Premium and interest income continue to exceed death and other payments.)
Vocational rehabilitation revolving fund 805	Exp.	−1				(Repayment of loans by trainees are expected to cover new loans.)
Servicemen's group life insurance fund 805	Exp.		−579	−762	−183	(This new program for men in uniformed service is contracted to private insurance companies. Receipts of $73 million more than offset expenditures.)
Intragovernmental funds:						
Supply fund 805	Exp.	−3,087	1,202	273	−929	(Fund is estimated to net near zero on volume of $93 million.)
Total, Veterans Administration.	NOA	**5,791,791**	**5,690,439** **[A] 293,000** **[B] 18,821**	**5,959,694** **[A] 100,000**	**57,434**	
	Exp.	5,487,944	4,866,208 [A] 292,900 [B] 18,365	5,627,944 [A] 90,100 [B] 456	541,027	

OTHER INDEPENDENT AGENCIES

ADMINISTRATIVE CONFERENCE OF THE UNITED STATES						
General and special funds:						
Salaries and expenses 908	NOA		250	250		Provides for establishment of a conference to improve and develop procedures under various administrative laws.
	Exp.		248	248		
ALASKA TEMPORARY CLAIMS COMMISSION						
Salaries and expenses 910	NOA	33				(The Commission completed its work in 1965.)
	Exp.	5				

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
AMERICAN BATTLE MONUMENTS COMMISSION						
General and special funds—Continued						
Salaries and expenses.....805	NOA	1,816	2,148	2,092	−88	Decrease reflects completion of design work and dedications, as well as fewer home leave trips.
Reappropriation.....	NOA	32	32			
	Exp.	1,901	2,172	2,062	−110	
Construction of memorials and cemeteries.....805	Exp.	51	11	.....	−11	(Account is available only to pay old obligations.)
Total, American Battle Monuments Commission.	NOA	1,848	2,180	2,092	−88	
	Exp.	1,952	2,183	2,062	−121	
ATLANTIC-PACIFIC INTEROCEANIC CANAL STUDY COMMISSION						
Salaries and expenses.....502	NOA	400	6,985	6,500	−485	Provides for continuation of sea level canal feasibility studies, to be completed June 30, 1968, under existing law.
	Exp.	88	5,925	6,775	850	
CENTRAL INTELLIGENCE AGENCY						
Construction.....905	Exp.	354	675	1,290	615	(Major expenditures are for construction of facility designed for classified printing.)
CIVIL AERONAUTICS BOARD						
Salaries and expenses.....508	NOA	11,096	10,923 [B]240	12,222	1,059	Increases are mainly for planning and research studies, accident investigation, and a new aircraft.
	Exp.	11,205	11,116	12,134	1,018	

Payments to air carriers:						
Contract authorization (permanent, indefinite) 501	NOA	**86,786**	**81,631**	**74,650**	**−6,981**	Airline subsidies are expected to decline in 1967 and helicopter subsidies are terminated.
Liquidation of contract authorization.		(84,432)	(81,170)	(67,000)	(−14,170)	(Appropriation for 1967 liquidates that part of subsidy contract obligations for which payments are due during the year.)
	Exp.	80,423	79,450	73,085	−6,365	
Total, Civil Aeronautics Board.	NOA	**97,882**	**92,554** [B] **240**	**86,872**	**−5,922**	
	Exp.	91,627	90,566	85,219	−5,347	
CIVIL SERVICE COMMISSION						
Salaries and expenses 906	NOA	**22,696**	**24,500** [A] **720** [B] **543**	**22,172**	**−3,591**	Decrease reflects transfer of the related administrative costs to the civil service retirement and disability fund, partially offset by expansion of executive manpower and wage board functions.
	Exp.	22,436	24,850 [A] 610	22,226 [A] 110	−3,124	The 1966 supplemental will provide for unanticipated increases in investigations and retirement claims.
Limitation payable under trust funds.		----------	----------	(6,160)	(6,160)	
Investigation of U.S. citizens for employment by international organizations 908	NOA	**600**	**600** [B] **−15**	**642**	**57**	The increase results from expanded workload.
	Exp.	461	581	620	39	
Annuities under special acts 906	NOA	**1,650**	**1,550**	**1,455**	**−95**	Decrease results from smaller number of Panama Canal annuitants.
	Exp.	1,661	1,559	1,463	−96	
Government payment for annuitants, employees health benefits 906	NOA	----------	**29,220**	**31,730**	**2,510**	This appropriation is a consolidation of the 2 following ones.
	Exp.	----------	29,220	31,730	2,510	Estimate reflects an increase of 43,000 participating annuitants.
Government payment for annuitants, employees health benefits fund 906	NOA	**12,210**	----------	----------	----------	(These appropriations have been consolidated into the preceding one.)
	Exp.	12,210	----------	----------	----------	
Government contributions, retired employees health benefits fund 906	NOA	**14,800**	----------	----------	----------	
	Exp.	14,800	----------	----------	----------	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
CIVIL SERVICE COMMISSION—Con.						
General and special funds—Continued						
Payment to civil service retirement and disability fund...906	NOA	**65,000**	**67,000**	**73,000**	**6,000**	Estimate is to pay increased costs of additional benefits enacted in 1963.
	Exp.	65,000	67,000	73,000	6,000	
Trust fund:						
Limitation on administrative expenses, employees life insurance fund.		(274)	(279) [B] (6)	----------	(−285)	(This limitation has been consolidated into the salaries and expenses appropriation.)
Intragovernmental funds:						
Investigations (revolving fund) 906	Exp.	563	264	−84	−348	(This fund finances, on a reimbursable basis, security investigations performed at the request of other agencies.)
Advances and reimbursements.906	Exp.	−18	----------	----------	----------	
Total, Civil Service Commission.	NOA	**116,956**	**122,870** **[A] 720** **[B] 528**	**128,999**	**4,881**	
	Exp.	117,112	123,474 [A] 610	128,955 [A] 110	4,981	
COMMISSION OF FINE ARTS						
General and special funds:						
Salaries and expenses.....555	NOA	**120**	**123**	**115**	**−8**	Advises the President, Congress, and department heads on matters of architecture, sculpture, and painting.
	Exp.	95	115	115	----------	

COMMISSION ON CIVIL RIGHTS						
Salaries and expenses.....908	NOA	1,280	1,487 [A] 442 [B] 26	2,703	748	Supplemental provides for initiation of a study of discrimination in education. The increase provides primarily for assumption of responsibilities from the Community Relations Service, additional field investigations and hearings, and expansion of the Commission's clearinghouse services.
	Exp.	1,151	1,450 [A] 173	2,623 [A] 269	1,269	
COMMISSION ON INTERNATIONAL RULES OF JUDICIAL PROCEDURE						
Salaries and expenses.....910	NOA	25	.....	.....	.....	(This Commission expired on Dec. 31, 1965.)
	Exp.	.....	25	.....	−25	
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION						
Salaries and expenses.....652	NOA	2,250	2,750 [A] 690 [B] 52	5,870	2,378	Supplemental in 1966 provides additional staff to meet a higher workload relating to investigating complaints of discrimination in employment and to initiate a program to achieve voluntary compliance with the Civil Rights Act. The full-year cost is reflected in 1967 as well as a new Federal-State program for promoting voluntary compliance.
	Exp.	29	3,071 [A] 632	5,743 [A] 58	2,098	
EXPORT-IMPORT BANK OF WASHINGTON						
Public enterprise funds:						
Export-Import Bank of Washington fund.....152	Exp.	−357,231	−531,521	−308,950	222,571	(Increased expenditures in 1967 reflect larger disbursements of loans and a slight decline in sales of assets, partially offset by an increase in net loan repayments.)
Limitation on operating expenses.		(1,350,060)	(1,186,120)	(2,108,241)	(922,121)	
Limitation on administrative expenses.		(3,915)	(4,052) [B] (55)	(4,134)	(27)	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPFNDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
FARM CREDIT ADMINISTRATION						
Public enterprise funds—Continued						
Revolving fund for administrative expenses.....352	Exp.	99	−50	.....	50	(Activity is financed by assessments collected from the banks in the farm credit system. The increase in 1967 reflects the annualization of pay costs.)
Limitation on administrative expenses.		(2,931)	(2,990) B (28)	(3,032)	(14)	
Short-term credit investment fund.....352	Exp.	3,375	3,290	500	−2,790	(Expenditures represent Government investment in Federal intermediate credit banks and production credit associations. The reduction in 1967 mainly reflects the annualized impact of recent legislation changing the Federal intermediate credit banks' debt-to-capital ratio, thereby reducing the need for Government capital.)
Banks for cooperatives investment fund.....352	Exp.	−20,287	−13,498	−8,935	4,563	(Negative expenditure represents a return of capital previously invested in banks for cooperatives.)
Total, Farm Credit Administration.	Exp.	−16,813	−10,258	−8,435	1,823	
FEDERAL COAL MINE SAFETY BOARD OF REVIEW						
General and special funds:						
Salaries and expenses.....652	NOA	70	72 B 1	61	−12	Decrease results from saving in administrative costs under a contract with General Services Administration.
	Exp.	66	76	61	−15	

FEDERAL COMMUNICATIONS COMMISSION						
Salaries and expenses.....508	NOA	16,947	16,955 [B]346	17,520	219	Estimate continues the 1966 program for the regulation of interstate and foreign commerce in communications by wire and by radio.
	Exp.	16,747	17,146	17,170	24	
FEDERAL DEVELOPMENT PLANNING COMMITTEES FOR ALASKA						
Salaries and expenses.....507	NOA	.....	174	190	16	Committees will develop and coordinate plans for the economic development of Alaska.
	Exp.	15	150	170	20	
FEDERAL HOME LOAN BANK BOARD						
Public enterprise funds:						
Federal Home Loan Bank Board revolving fund.....551	Exp.	133	−166	41	207	(Increase in administrative and supervisory expenses, paid from fees, charges, and assessments, is due to the larger number of institutions projected and the growth in total assets.)
Limitation on administrative and nonadministrative expenses.		(16,948)	(17,040) [B](75)	(17,875)	(760)	
Federal Savings and Loan Insurance Corporation fund...551	Exp.	−204,698	−262,070	−351,817	−89,747	(Premiums and other receipts are expected to increase and will continue to exceed costs.)
Limitation on administrative expenses.		(233)	(233) [B](6)	(285)	(46)	
Home Owners' Loan Corporation fund.....551	Exp.	1	2	2	.....	(Expenditures are for interest on matured bonds.)
Total, Federal Home Loan Bank Board.	Exp.	−204,564	−262,234	−351,774	−89,540	
FEDERAL MARITIME COMMISSION						
General and special funds:						
Salaries and expenses.....508	NOA	2,946	3,105 [B]68	3,475	302	Increase provides funds for staff to handle the expanding regulatory workload.
	Exp.	2,857	3,152	3,308	156	

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
FEDERAL MEDIATION AND CONCILIATION SERVICE						
General and special funds—Continued						
Salaries and expenses.....652	NOA	6,334	6,604 B 115	7,100	381	Increase provides for expansion of preventive mediation and for more intensive mediation of labor-management disputes involving defense plants.
	Exp.	6,284	6,603	7,077	474	
FEDERAL POWER COMMISSION						
Salaries and expenses.....401	NOA	12,974	13,230 B 300	14,288	758	Increase is primarily for analysis of electric power systems, implementation of gas producer area rate decisions, and to maintain regulatory programs on a current basis.
	Exp.	12,992	13,495	14,271	776	
Payments to States under Federal Power Act (permanent, indefinite, special fund).....401	NOA	71	71	71	.....	States must be paid 37.5% of license receipts from hydroelectric projects in national forests and public lands.
	Exp.	124	71	71	.....	
Total, Federal Power Commission.	NOA	13,045	13,301 B 300	14,359	758	
	Exp.	13,116	13,566	14,342	776	
FEDERAL RADIATION COUNCIL						
Salaries and expenses.....903	NOA	.....	166	131	−35	The Council advises the President on radiation matters affecting health.
	Exp.	.....	113	125	12	
FEDERAL RECONSTRUCTION AND DEVELOPMENT PLANNING COMMISSION FOR ALASKA						
Salaries and expenses.....507	Exp.	48	.....	.....	.....	(Commission has completed its work. Final report issued Sept. 1965.)

Intragovernmental funds:						
Advances and reimbursements 507	Exp.	23	.....	.....	.....	
Total, Federal Reconstruction and Development Planning Commission for Alaska.	Exp.	72	.....	.....	.....	
FEDERAL TRADE COMMISSION						
General and special funds:						
Salaries and expenses.....508	NOA	**13,459**	**13,548** [B]**312**	**14,009**	**149**	Estimate continues the 1966 program for regulation of commercial enterprises to prevent the growth of monopolies and unfair and deceptive trade practices.
	Exp.	13,662	13,752	13,991	239	
FOREIGN CLAIMS SETTLEMENT COMMISSION						
Salaries and expenses.....151	NOA	**1,714**	**1,915**	**2,000**	**85**	Increase is to accelerate General War Claims program, initiate Yugoslav program, and intensify Cuban program.
	Exp.	1,558	1,819	1,984	165	
Payment of Philippine war damage claims.....151	Exp.	33,488	33	.....	−33	(Completion of program in 1965 and transfer of $28 million of unobligated balance to the Philippine education program.)
Total, Foreign Claims Settlement Commission.	NOA	**1,714**	**1,915**	**2,000**	**85**	
	Exp.	35,047	1,852	1,984	132	
GENERAL ACCOUNTING OFFICE						
Salaries and expenses.....904	NOA	**46,635**	**46,486** [B]**1,035**	**48,800**	**1,279**	Increase is for extended audit coverage, partially offset by decreases in other employment.
	Exp.	44,948	47,625	48,930	1,305	

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
HISTORICAL AND MEMORIAL COMMISSIONS						
General and special funds—Continued						
Battle of Lake Erie Sesquicentennial Celebration Commission 910	NOA	14				(The Commission has completed its work.)
	Exp.	14				
Battle of New Orleans Sesquicentennial Celebration Commission 910	NOA	25				(The Commission will complete its work in 1966.)
	Exp.	2	23		−23	
Civil War Centennial Commission 910	NOA	100	100		−100	(The Commission will terminate in 1966.)
	Exp.	83	114		−114	
Corregidor-Bataan Memorial Commission 805	NOA	25	25	35	10	Increase is to plan memorial documentary film and locate historical places for marking. Commission expires in May 1967.
	Exp.	24	25	36	11	
Franklin Delano Roosevelt Memorial Commission 910	NOA		20	80	60	The Commission is formulating revised plans for a memorial.
	Exp.	8	9	92	83	
James Madison Memorial Commission 910	NOA		10		−10	The Commission is formulating plans for a memorial.
	Exp.		9	1	−8	
Lewis and Clark Trail Commission 910	NOA		25	25		The Commission is concerned with long-range conservation and recreational aspects of the trail.
	Exp.		25	25		
U.S. Territorial Expansion Memorial Commission 910	Exp.	1	3		−3	(The Commission is concerned with the development of the Jefferson National Expansion Memorial.)

Woodrow Wilson Memorial Commission 910	Exp.	3	6	----------	−6	(The Commission is expected to complete its work in 1966.)
Total, historical and memorial commissions.	NOA	**164**	**180**	**140**	**−40**	
	Exp.	135	214	154	−60	
INDIAN CLAIMS COMMISSION						
Salaries and expenses 902	NOA	**335**	**347**	**438**	**91**	Increase is primarily to expedite the disposition of claims.
	Exp.	303	347	438	91	
INTERGOVERNMENTAL COMMISSIONS						
Advisory Commission on Intergovernmental Relations: Salaries and expenses 910	NOA	**410**	**410** [B] **5**	**428**	**13**	Estimate provides for additional research assistants to work with representatives of Federal, State, and local governments on studies of intergovernmental cooperation.
	Exp.	422	395	418	23	
Appalachian Regional Commission: Salaries and expenses 507	NOA	**1,290**	----------	**1,110**	**1,110**	The Commission develops, plans, and coordinates the comprehensive program for regional economic development in Appalachia. The agencies listed will spend the following amounts pursuant to special authority in the Appalachian Act (in millions of dollars):
	Exp.	40	1,000	1,100	100	

	NOA appropriated and requested 1965–67	*Expenditures*	
		1966	*1967*
Agriculture	12.9	7.4	5.2
Commerce	415.5	25.0	121.2
Defense—Corps of Engineers	3.3	1.3	1.6
Health, Education, and Welfare	45.5	3.9	12.7
Interior	29.3	1.7	14.0
Appalachian Regional Commission	2.4	1.0	1.1
Total	508.8	40.3	155.8

[B] Proposed for separate transmittal, civilian pay increase supplemental.

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
INTERGOVERNMENTAL COMMISSIONS—Continued						
General and special funds—Continued						
Commission on the Status of Puerto Rico: Salaries and expenses.....910	NOA	250	200	.....	−200	Activity of the Commission will end in 1967 with submission of its report, due Sept. 30, 1966.
	Exp.	44	357	49	−308	
Delaware River Basin Commission:						
Salaries and expenses.....401	NOA	44	44	45	1	This appropriation provides for expenses of the U.S. Commissioner, his alternate, and assistant.
	Exp.	39	44	45	1	
Contribution.....401	NOA	92	96	115	19	This represents the Federal share (about 24%) of the distributed net annual expense budget as adopted for 1967 by the Commission.
	Exp.	92	96	115	19	
Total, Delaware River Basin Commission.	NOA	136	140	160	20	
	Exp.	131	140	160	20	
Interstate Commission on the Potomac River Basin: Contribution.....555	NOA	5	5	5	.....	The United States contributes $5 thousand annually for the Commission's efforts to reduce pollution.
	Exp.	5	5	5	.....	
Total, intergovernmental commissions.	NOA	2,091	755 [B]5	1,703	943	
	Exp.	642	1,897	1,732	−165	

INTERSTATE COMMERCE COMMISSION						
Salaries and expenses.....508	NOA	**26,715**	**26,915** [B]625	**27,759**	**219**	Estimate continues 1966 program for regulation of rail, motor, and water carriers and freight forwarders.
	Exp.	26,491	27,268	27,745	477	
NATIONAL CAPITAL HOUSING AUTHORITY						
Operation and maintenance of properties.....555	NOA	**37**	**37**	**37**	.....	Rent receipts ($39 thousand for 1967) are deposited in the general fund.
	Exp.	39	37	37	.....	
NATIONAL CAPITAL PLANNING COMMISSION						
Salaries and expenses.....555	NOA	**696**	**800** [A]50 [B]18	**1,144**	**276**	Supplemental provides for publication of the 1985 Plan for Washington, D.C., and for related reports. The 1967 estimate provides for increased workload, implementation of the 1985 Plan, the identification and preservation of landmarks, and planning the redevelopment of Pennsylvania Avenue.
	Exp.	637	887 [A]50	1,144	207	
Land acquisition, National Capital park, parkway, and playground system.....555	NOA	**550**	.....	**6,100**	**6,100**	Estimate provides matching funds for completion of the George Washington Memorial Parkway on both banks of the Potomac River: $2.9 million for the Parkway in Maryland and $3.2 million for the Parkway in Virginia.
	Exp.	907	1,097	3,572	2,475	
Land acquisition, John F. Kennedy Center for the Performing Arts.....704	NOA	**2,175**	.....	.....	.....	Land acquisition is scheduled to be completed in 1966.
	Exp.	1,994	153	.....	−153	
Total, National Capital Planning Commission.	NOA	**3,421**	**800** [A]50 [B]18	**7,244**	**6,376**	
	Exp.	3,538	2,137 [A]50	4,716	2,529	

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[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
NATIONAL CAPITAL TRANSPORTATION AGENCY						
General and special funds—Continued						
Salaries and expenses.....555	NOA	.....	425	1,575	1,150	Increase provides additional staff to handle engineering and design contracts for the rail rapid transit system.
	Exp.	562	800	1,325	525	
Construction, rail rapid transit system.....555	NOA	.....	3,679	17,055	13,376	Estimate provides for financial studies, engineering and design contracts, acquisition of land and rights-of-way, and purchase of construction material necessary to continue development of the rail rapid transit system.
	Exp.	.....	2,700	9,125	6,425	
Land acquisition and construction.....555	Exp.	54	.....	.....	.....	
Total, National Capital Transportation Agency.	NOA	.....	4,104	18,630	14,526	
	Exp.	617	3,500	10,450	6,950	
NATIONAL COMMISSION ON FOOD MARKETING						
Salaries and expenses.....355	NOA	700	1,500	.....	−1,500	The Commission will complete its study and appraisal of the marketing structure of the food industry and report to the President and the Congress by July 1, 1966.
	Exp.	408	1,492	100	−1,392	
NATIONAL COMMISSION ON TECHNOLOGY, AUTOMATION, AND ECONOMIC PROGRESS						
Salaries and expenses.....652	NOA	825	.....	.....	.....	(The Commission will submit its final report to the President and the Congress in fiscal year 1966.)
	Exp.	134	691	.....	−691	

NATIONAL COUNCIL ON THE ARTS						
Salaries and expenses.....704	NOA	50	23	.....	−23	Has been merged with the National Endowment for the Arts in the National Foundation on the Arts and the Humanities.
	Exp.	25	47	.....	−47	
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES						
Salaries and expenses.....704	NOA	.....	5,727	13,930	9,203	Increase provides for initiation of grants to State arts councils and expansion of support for the arts and the humanities.
Indefinite.....	NOA	.....	1,000	2,000		
	Exp.	.....	1,500	8,400	6,900	
NATIONAL LABOR RELATIONS BOARD						
Salaries and expenses.....652	NOA	26,158	28,103 [B]548	30,442	1,791	Increase is to deal with continuing increases in unfair labor practice charges and in representation petitions.
	Exp.	25,221	28,497	30,270	1,773	
NATIONAL MEDIATION BOARD						
Salaries and expenses.....652	NOA	2,022	2,050 [B]27	2,085	8	Provides for mediation and arbitration assistance to labor and management in the railroad and airlines industries.
	Exp.	1,892	2,065	2,085	20	
NATIONAL SCIENCE FOUNDATION						
Salaries and expenses.....703	NOA	420,400	479,681	525,000	45,319	Increases for basic research grants and related facilities will support scientific activities at a greater number of academic institutions. Special emphasis is being given to strengthening the quality of scientific and engineering research and education.
	Exp.	310,689	365,000	425,000	60,000	
International Geophysical Year 703	Exp.	−23	.....	.....	.....	
Intragovernmental funds:						
Advances and reimbursements.703	Exp.	−1,773	.....	.....	.....	
Total, National Science Foundation.	NOA	420,400	479,681	525,000	45,319	
	Exp.	308,892	365,000	425,000	60,000	

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
PRESIDENT'S ADVISORY COMMITTEE ON LABOR-MANAGEMENT POLICY						
General and special funds:						
President's Advisory Committee on Labor-Management Policy 652	NOA	150	150	----------	−150	The Committee will be supported by regular resources of the Departments of Labor and Commerce.
	Exp.	106	145	9	−136	
PRESIDENT'S COMMISSIONS ON LAW ENFORCEMENT AND THE ADMINISTRATION OF JUSTICE AND ON CRIME IN THE DISTRICT OF COLUMBIA						
Salaries and expenses 908	NOA	----------	900	600	−300	The Crime Commissions will complete their investigations of crime and delinquency in the United States and in the District of Columbia.
	Exp.	----------	835	665	−170	
PUBLIC LAND LAW REVIEW COMMISSION						
Salaries and expenses 401	NOA	350	750	907	157	Increase is for staff and contract services in the Commission's 1st full year of activity.
	Exp.	----------	613	1,282	669	
RAILROAD RETIREMENT BOARD						
Payment for military service credits 659	NOA	13,834	16,558	17,201	643	Funds are provided for the 3d of 10 annual installments to pay the retirement account for military service of railroad workers.
	Exp.	13,834	16,558	17,201	643	

Trust fund:						
Limitation on salaries and expenses.		(10,700)	(10,650) [A] (850) [B] (225)	(11,175)	(−325)	Supplemental is to finance program of health insurance for the aged and other 1965 amendments to Railroad Retirement and Social Security Acts. Decrease because of nonrecurring work more than offsets increase for management of hospital and medical insurance for aged.
RENEGOTIATION BOARD						
General and special funds:						
Salaries and expenses.....904	NOA	2,600	2,500 [B] 30	2,477	−53	Decrease results from management improvements.
	Exp.	2,650	2,516	2,485	−31	
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION						
Public enterprise funds:						
Saint Lawrence Seaway Development Corporation fund...502	Exp.	904	1,200	100	−1,100	(Operating costs and interest will be financed from revenue of $6.5 million. Additional construction will be financed by borrowing of $0.1 million from the Treasury.)
Limitation on administrative expenses.		(470)	(490)	(515)	(25)	
SECURITIES AND EXCHANGE COMMISSION						
General and special funds:						
Salaries and expenses.....508	NOA	15,442	16,442	17,550	1,108	Increase is primarily to handle additional workload resulting from the Securities Acts Amendments of 1964.
	Exp.	15,276	16,280	17,570	1,290	
SELECTIVE SERVICE SYSTEM						
Salaries and expenses.....059	NOA	47,838	49,111 [A] 11,594 [B] 902 [C] 185	51,940	−9,852	Supplemental in 1966 is to meet increased induction calls, which are now estimated at about 360,000. Inductions in 1967 are currently estimated at about 160,000.
	Exp.	43,211	49,630 [A] 10,600	51,955 [A] 994	−7,281	

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[B] Proposed for separate transmittal, civilian pay increase supplemental.
[C] Proposed for separate transmittal, military pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
SMALL BUSINESS ADMINISTRATION						
General and special funds—Continued						
Salaries and expenses 506	NOA	7,486	7,065 [B] 150	8,400	1,185	Increases are for procurement and management assistance, creation of a field staff to aid small business development centers, and initiation of a newly designed research program.
	Exp.	6,658	6,421	7,392	971	
Trade adjustment loan assistance 506	Exp.	----------	50	1,000	950	(Balance of 1964 appropriation will be used primarily to make loans to firms injured by U.S.-Canadian auto parts treaty.)
Grants for research and management counseling 506	Exp.	182	−7	----------	7	(Program was completed in 1960.)
Public enterprise funds:						
Revolving fund 506	NOA	145,000	305,000	----------	−305,000	Proposed legislation to authorize sale of participations in pools of loans held by SBA will provide financing for program.
	Exp.	236,221	298,832 [A] −350,000	51,736 [A] −383,292	−280,388	
Revolving fund, lease guarantee 506	NOA	----------	5,000	----------	−5,000	(The negative expenditure results from investment of fund in Government obligations.)
	Exp.	----------	−107	−214	−107	
Intragovernmental funds:						
Advances and reimbursements 506	Exp.	−139	215	----------	−215	
Total, Small Business Administration.	NOA	152,486	317,065 [B] 150	8,400	−308,815	
	Exp.	242,922	305,404 [A] −350,000	59,914 [A] −383,292	−278,782	

SMITHSONIAN INSTITUTION

General and special funds:						
Salaries and expenses 704	NOA	15,540	18,468 [A] 166 [B] 287	23,437	4,516	Increase in 1967 provides for staffing the new fine arts and portrait galleries and other new exhibit space. Educational and scientific activities will be expanded. Supplemental is for wage board increases.
	Exp.	15,716	19,134 [A] 161	21,933 [A] 5	2,643	
Museum programs and related research (special foreign currency program) 704	NOA	.....	1,300	5,700	4,400	Provides for an expanded program of grants of excess foreign currencies to American institutions for research, excavation, and preservation.
	Exp.	.....	1,170	4,900	3,730	
Remodeling of Civil Service Commission Building 704	NOA	1,000	.....	.....	.....	(The building is being remodeled for use as an art gallery which is scheduled to open in 1967.)
	Exp.	1,046	5,157	319	−4,838	
Construction and improvements, National Zoological Park ... 704	NOA	1,525	1,539	1,589	50	Provides for construction of a multiclimate animal facility and planning of future facilities.
	Exp.	621	2,418	1,257	−1,161	
National Air and Space Museum 704	NOA	1,364	.....	.....	.....	(Planning was completed in 1965.)
	Exp.	942	312	.....	−312	
Restoration and renovation of buildings 704	NOA	.....	2,248	2,300	52	Provides for renovating Old Court of Claims Building as an art gallery and planning of future facilities.
	Exp.	.....	131	1,175	1,044	
Museum of History and Technology 704	Exp.	654	2,065	.....	−2,065	(The building was completed in 1964.)
Additions to the Natural History Building 704	Exp.	4,726	1,423	328	−1,095	(Construction of the west wing will be completed in 1966.)
Salaries and expenses, National Gallery of Art 704	NOA	2,227	2,465 [A] 24 [B] 42	2,765	234	The increase provides primarily for additional protection of art objects and repairs on building and ventilating system. The supplemental is for wage-board increases.
	Exp.	2,392	2,532 [A] 23	2,747 [A] 1	193	

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[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
SMITHSONIAN INSTITUTION—Con.						
General and special funds—Continued						
John F. Kennedy Center for the Performing Arts.....704	NOA	15,500	.....	.....	.....	(Construction will start in 1966.)
	Exp.	1,843	6,000	10,000	4,000	
Intragovernmental funds:						
Advances and reimbursements, Smithsonian Institution....704	Exp.	46	36	20	−16	
Total, Smithsonian Institution.	NOA	37,156	26,020 [A] 190 [B] 329	35,791	9,252	
	Exp.	27,986	40,378 [A] 184	42,678 [A] 6	2,122	
SUBVERSIVE ACTIVITIES CONTROL BOARD						
General and special funds:						
Salaries and expenses.....908	NOA	440	480	280	−200	Caseload reduced by the Supreme Court decision that members of the Communist Party need not register.
	Exp.	409	475	280	−195	
TARIFF COMMISSION						
Salaries and expenses.....151	NOA	3,345	3,400 [B] 46	3,565	119	Estimate provides for increases in nondiscretionary personnel costs.
	Exp.	3,271	3,437	3,551	114	

TAX COURT OF THE UNITED STATES						
Salaries and expenses.....904	NOA	2,183	2,190 [B] 32	2,355	133	Increase will provide additional staff for retired judges being recalled to duty.
	Exp.	2,087	2,200	2,325	125	
TENNESSEE VALLEY AUTHORITY						
Public enterprise funds:						
Tennessee Valley Authority fund:						
Power proceeds and borrowings 401	Exp.	−312	5,000	15,000	10,000	(Power revenues and receipts of $346 million, together with a net of $75 million from revenue bonds sold to the public and short-term borrowings from the public and from the Treasury, will be used to finance power operations and a $147 million investment in power system facilities. The general fund will be paid $15 million for reduction of investment and a dividend of $43.3 million.)
Appropriations and nonpower proceeds.....401	NOA	47,915	59,347	63,635	4,288	An appropriation of $64 million and $25 million of other receipts will provide $46 million for construction of flood control, navigation, chemical, and other nonpower facilities, including initiation of construction of Tellico and Bear Creek multipurpose projects.
	Exp.	48,249	52,000	69,000	17,000	
Total, Tennessee Valley Authority.....	NOA	47,915	59,347	63,635	4,288	
	Exp.	47,937	57,000	84,000	27,000	
UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY						
General and special funds:						
Arms control and disarmament activities.....151	NOA	9,000	9,965	10,000	35	Program will emphasize field tests of verification techniques, development of special sensors, and analysis of Federal seismic capabilities.
	Exp.	7,302	8,900	9,400	500	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
OTHER INDEPENDENT AGENCIES—Continued						
UNITED STATES INFORMATION AGENCY						
General and special funds—Continued						
Salaries and expenses.....153	NOA	140,254	142,893 [B]1,461	150,693	6,339	Increase is primarily for full-year costs of programs expanded in Southeast Asia in 1966, oversea wage and price increases, and transfer of Brazilian program from foreign currency account below.
	Exp.	139,763	142,378	146,497	4,119	
Salaries and expenses (special foreign currency program)....153	NOA	8,200	11,112	10,941	−171	Foreign currencies excess to U.S. needs supplement the appropriation immediately above and are used to pay local expenses.
	Exp.	10,406	10,738	10,294	−444	
Special international exhibitions 153	NOA	15,000	3,732	2,554	−1,178	Decrease is due mainly to reduction in trade fairs and trade missions programs.
	Exp.	7,047	7,027	6,596	−431	
Special international exhibitions (special foreign currency program).....153	NOA	400	154	350	196	Foreign currencies excess to U.S. needs supplement the appropriation immediately above and are used to pay local expenses.
	Exp.	387	296	319	23	
Acquisition and construction of radio facilities.....153	NOA	2,000	26,205	20,510	−5,695	The 1967 estimate will provide funds to complete a new transmitting facility in Greece.
	Exp.	6,639	10,400	14,895	4,495	
Public enterprise funds:						
Informational media guarantee fund.....153	Exp.	873	−1	177	178	(The increase is due to net effect of foreign currency purchases.)
Total, United States Information Agency.	NOA	165,854	184,096 [B]1,461	185,048	−509	
	Exp.	165,114	170,838	178,778	7,940	

WATER RESOURCES COUNCIL						
General and special funds:						
Water resources planning.....401	NOA	.....	200	807	607	Full-year funding for Council staff and 2 river basin commissions, and partial-year funding for 1 river basin commission.
	Exp.	.....	185	500	315	
Financial assistance to States..401	NOA	.....	.....	2,193	2,193	1st-year funding to develop comprehensive water and related land resources plans.
	Exp.	.....	.....	2,000	2,000	
River basin commissions.....401	NOA	.....	110	.....	−110	(Financing of program transferred to "Salaries and expenses, Water Resources Council.")
	Exp.	.....	108	2	−106	
Total, Water Resources Council.	NOA	.....	310	3,000	2,690	
	Exp.	.....	293	2,502	2,209	
Total, other independent agencies.	NOA	1,303,454	1,572,031 [A] 13,686 [B] 7,196 [C] 185	1,373,203	−219,895	
	Exp.	707,967	632,126 [A] −337,751 [B] 6,837 [C] 185	656,492 [A] −381,855 [B] 359	−26,401	
DISTRICT OF COLUMBIA						
General and special funds:						
Federal payment to District of Columbia.....555	NOA	40,720	46,122 [A] 5,700	53,394 [A] 11,900	13,472	Supplemental in 1966 will be submitted for additional Federal payment within the $50 million authorization. Estimate for 1967 includes $50 million to help defray expenses of the government of the District and $3.4 million for water and sewage services to the Federal Government. Supplemental in 1967 is for proposed legislation to base the payment on a formula reflecting impact of the Federal Government.
	Exp.	40,720	46,122 [A] 5,700	53,394 [A] 11,900	13,472	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.
[C] Proposed for separate transmittal, military pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
DISTRICT OF COLUMBIA—Continued						
General and special funds—Continued						
Loans to District of Columbia for capital outlay, general fund 555	NOA	20,000	24,400	25,725	1,325	Loans are 30-year-interest-bearing, to assist in constructing facilities. The estimate also provides for the District's share of costs of constructing rail rapid transit system.
	Exp.	4,000	20,000	27,000	7,000	
Loans to District of Columbia for capital outlay, highway fund 555	NOA	1,400	3,912	[A] 11,300	7,388	Loans are 30-year-interest-bearing, to assist highway construction. Supplemental in 1967 anticipates legislation increasing loan authority by $35 million.
	Exp.	2,200	11,050	[A] 11,300	250	
Loans to District of Columbia for capital outlay, water fund 555	NOA	----------	----------	500	500	Loans are 30-year-interest-bearing, to assist water system construction.
	Exp.	1,250	1,500	2,500	1,000	
Loans to District of Columbia for capital outlay, sanitary sewage works fund 555	NOA	5,000	----------	----------	----------	Loans are 30-year-interest-bearing, to assist construction of separate storm drainage and sanitary sewers.
	Exp.	2,750	3,000	3,000	----------	
Federal contribution and loans to the Metropolitan area sanitary sewage works fund 555	Exp.	500	2,700	1,500	−1,200	
Repayable advances to the District of Columbia general fund (permanent, indefinite) 555	NOA	50,000	20,000	----------	−20,000	Temporary advances are made to avoid sale of investments with later repayments. No advance is contemplated in 1967. The amount owed was $10 million at the end of 1963, $17 million at the end of 1964, and $26 million at the end of 1965.
	Exp.	9,000	−26,000	----------	26,000	

Advances to stadium sinking fund, Armory Board (permanent, indefinite authorization to spend debt receipts) 555	NOA	832	757	832	75	Advances are made to meet interest payments on bonds which cannot be met from receipts. The advances are repaid when funds are available.
	Exp.	832	757	832	75	
Total, District of Columbia	NOA	117,952	95,191 [A] 5,700	80,451 [A] 23,200	2,760	
	Exp.	61,252	59,129 [A] 5,700	88,226 [A] 23,200	46,597	
SPECIAL ALLOWANCE						
Allowance for contingencies	NOA	----------	[A] 100,000	[A] 500,000	400,000	The allowance for contingencies is to cover unforeseen needs and smaller items of proposed legislation. Specific supplemental estimates will be transmitted as the need arises.
	Exp.	----------	[A] 75,000	[A] 350,000	275,000	
GRAND TOTALS—ADMINISTRATIVE BUDGET						
Total new obligational authority		106,608,496	110,224,581 [A] 14,579,088 [B] 404,380 [C] 773,749	122,513,664 [A] −609,280	−4,077,414	
Expenditures:						
Subtotal		97,376,770	101,278,561 [A] 4,659,759 [B] 382,353 [C] 754,642	111,304,866 [A] 2,216,381 [B] 22,520 [C] 15,007	6,483,459	
Interfund transactions		−869,865	−647,360	−711,996	−64,636	
Total expenditures		96,506,904	106,427,955	112,846,778	6,418,823	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.
[C] Proposed for separate transmittal, military pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS						
LEGISLATIVE BRANCH						
Library of Congress: Gift and trust fund income accounts.....704	NOA	1,643	1,819	2,325	506	Income of the gift fund and other gifts and receipts are devoted to advancing the work of the Library.
	Exp.	1,897	1,835	1,830	−5	
THE JUDICIARY						
Judicial survivors annuity fund..654	NOA	880	936	950	14	Pays annuities to dependents of deceased judges, refunds to former judges and claims of survivors in certain cases.
	Exp.	488	520	550	30	
FUNDS APPROPRIATED TO THE PRESIDENT						
Military assistance:						
Military assistance advances..057						
Contract authorization.....	NOA	770,687	1,135,850	1,143,600	7,750	This program covers sales of defense articles and services to eligible foreign countries and international organizations.
Receipts to liquidate contract authorization.		(824,431)	(859,988)	(1,003,942)	(143,954)	
	Exp.	744,553	866,753	891,069	24,316	
Economic assistance:						
Agency for International Development trust funds.....152	NOA	1,584	1,500	1,000	−500	These funds are advances by foreign governments to pay for local costs of development grant and other mutually agreed upon programs.
	Exp.	2,172	1,907	1,000	−907	
Office of Economic Opportunity, gifts and donations.....655	NOA	3	1	1	.....	
	Exp.	.....	1	.....	−1	

Peace Corps gifts and donations.152	NOA	228	290	256	−34	Gifts and donations from foreign governments help support the local program.
	Exp.	138	400	256	−144	
Total, funds appropriated to the President.	NOA	772,502	1,137,641	1,144,857	7,216	
	Exp.	746,864	869,061	892,325	23,264	
DEPARTMENT OF AGRICULTURE						
Miscellaneous trust funds.....351	Exp.	43	2	.....	−2	(Receipts, primarily from States and local organizations, are available for work under cooperative agreements with Agricultural Stabilization and Conservation Service.)
354	NOA	752	884	950	66	Receipts, primarily from States and local organizations, are available for work under cooperative agreements with Soil Conservation Service.
	Exp.	798	850	940	90	
355	NOA	29,123	29,984	30,939	558	Fees are used for inspection and grading services of Consumer and Marketing Service and Agricultural Research Service, relieving general revenues of this expense. Other receipts are used under cooperative agreements. The increase is due primarily to more requests by users of these inspection and grading services.
	Exp.	28,224	29,771	30,448	290	
Farmers Home Administration (trust revolving fund).....352	Exp.	−1,083	−601	−585	16	(Funds of 38 States are administered in insured loan programs within those States.)
Forest Service: Cooperative work 402	NOA	28,073	28,955	29,955	1,000	Advances from others are used in cooperative work, such as reforestation, in forests and on land adjacent to forests.
	Exp.	24,043	27,650	28,850	1,200	
Total, Department of Agriculture.	NOA	57,948	59,823	61,844	1,624	
	Exp.	52,025	57,672	59,653	1,594	

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
DEPARTMENT OF COMMERCE						
Bureau of Public Roads highway trust fund: 503						
Contract authorization:						
Current:						
Existing legislation	NOA	1,065,000	100,000	1,000,000	1,032,250	Receipts of the fund liquidate portions of the contract authorization. Proposed legislation will increase certain taxes dedicated to the trust fund. Expenditures are mainly in the form of grants to the States, but also include outlays for administration and research ($57.6 million in 1967). Legislation will be proposed to finance forest and public lands highways and the highway beautification program, including balances of prior year authorizations, from the Highway trust fund beginning in 1967.
Proposed legislation (Forest and Public lands highways).	NOA	----------	----------	A 132,250		
Permanent	NOA	2,830,000	3,950,000	3,030,000	−920,000	
Current appropriation: Proposed legislation (Highway beautification).	NOA	----------	----------	A 151,000	151,000	
Receipts to liquidate contract authorization and finance current appropriations:						
(Excise taxes):						
(Existing legislation)		(3,658,510)	(3,860,000)	(3,992,000)	(521,000)	
(Proposed legislation)		----------	----------	A (389,000)		
(Interest on investments):						
(Existing legislation)		(11,035)	(5,000)	----------	(−2,000)	
(Proposed legislation)		----------	----------	A (3,000)		
(Interest on general fund advances.)		----------	(−1,000)	(−3,000)	(−2,000)	
	Exp.	4,026,117	3,970,085	3,970,000	109,915	
				A 110,000		
Bureau of Public Roads international trust funds: 152						
Contract authorization	NOA	4,729	----------	----------	−3,500	Advances from other countries are used for cooperative work and technical assistance.
Current appropriation	NOA	1,291	9,500	6,000		
Receipts to liquidate contract authorization and finance current appropriation.		(2,726)	(4,093)	----------	(−4,093)	
	Exp.	3,282	8,101	8,875	774	

Miscellaneous trust funds, Bureau of Public Roads: 503						
Contract authorization	NOA	60			−15	Advances from other Federal agencies, States, local governments, and nongovernmental interests are used for special services requested by those who pay.
Current appropriation	NOA	−2	515	500		
Receipts to liquidate contract authorization and finance current appropriation.		(278)	(742)		(−742)	
	Exp.	771	1,192	500	−692	
Other miscellaneous trust funds 506	NOA	4,794	6,727	5,569	−1,158	Gifts, donations, advances from individuals and firms, proceeds from sale of documents, and bond sale receipts held in escrow are used to finance projects and activities to which the receipts are dedicated.
	Exp.	4,064	6,104	5,867	−237	
502	NOA	1,229	51,175	35,470	−15,705	
	Exp.	12,846	22,139	31,738	9,599	
Total, Department of Commerce.	NOA	3,907,100	4,117,917	4,077,539 [A] 283,250	242,872	
	Exp.	4,047,079	4,007,621	4,016,980 [A] 110,000	119,359	
DEPARTMENT OF DEFENSE—MILITARY						
Miscellaneous trust funds 609	NOA	5,745	6,098	6,082	−16	Receipts include gifts, donations, and bequests used for specified purposes. Funds also include ships' stores profits used for benefit of naval personnel, and the U.S.S. *Arizona* memorial fund.
	Exp.	5,439	6,150	6,189	39	
DEPARTMENT OF DEFENSE—CIVIL						
Corps of Engineers advances and contributed funds 401	NOA	20,148	20,209	27,085	6,876	Advances and contributions from local interests are used in construction and maintenance work. Unused balances are returned.
	Exp.	24,474	28,000	27,000	−1,000	

[A] Proposed for separate transmittal, other than pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
DEPARTMENT OF DEFENSE—CIVIL—Continued						
U.S. Soldiers' Home:						
Operation and maintenance...805	NOA	7,018	7,076 A 90 B 56	7,433	211	Receipts include fines, forfeitures, and pay stoppages of Army and Air Force enlisted personnel. Refunds are permanently authorized. The increase provides for an estimated rise from 1,895 to 1,950 domiciliary members and from 433 to 443 hospital patients. Estimate provides a new wing for 366 additional domiciliary beds.
	Exp.	6,859	7,128 A 87	7,435 A 3	223	
Capital outlay.....805	NOA	.....	.....	3,575	3,575	
	Exp.	54	209	1,109	900	
Permanent appropriation.....	NOA	1	1	1	.....	
	Exp.	1	1	1	.....	
U.S. Soldiers' Home, trust revolving fund.....805	Exp.	−2	.....	.....	.....	(Fund finances certain supply inventories of the home.)
Total, Department of Defense—Civil.	NOA	27,167	27,286 A 90 B 56	38,094	10,662	
	Exp.	31,386	35,284 A 87 B 54	35,543 A 3 B 2	123	

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Federal old-age and survivors insurance trust fund 654	NOA	(16,443,527)	(17,501,835)	(21,112,849)	(3,611,014)
Receipts appropriated:					
(Employment taxes)		14,599,359	15,486,000	18,932,000	3,446,000
(Deposits by States)		1,257,853	1,378,000	1,511,000	138,000
(Interest on investments)		583,125	556,182	589,916	33,734
(Interest payment by other trust funds.)		3,112	3,581	1,865	----------
(Other)		78	72	68	−4
(Receipts for military service credits.)		----------	78,000	78,000	----------
Expenditures:	Exp.	(15,961,893)	(18,847,629)	(19,876,960)	(1,029,331)
(Benefit payments)		15,225,894	18,125,000	19,064,000	939,000
(Administrative expenses)		300,055	273,633	285,468	11,835
(Other expenditures)		305	3,996	7,492	3,496
(Payment to Railroad Retirement Board.)		435,638	445,000	520,000	75,000
Disability insurance trust fund 654	NOA	(1,240,508)	(1,532,357)	(2,110,194)	(577,837)
Receipts appropriated:					
(Employment taxes)		1,082,023	1,345,000	1,886,000	641,000
(Deposits by States)		93,221	114,000	151,000	37,000
(Interest on investments)		65,247	57,337	57,173	−164
(Miscellaneous receipts)		17	20	21	1
(Receipts for military service credit.)		----------	16,000	16,000	----------
Expenditures	Exp.	(1,497,796)	(1,939,728)	(1,941,544)	(1,826)
(Benefit payments)		1,392,190	1,715,000	1,782,000	67,000
(Payment to Federal old-age and survivors insurance trust fund.)		78,223	89,517	----------	−89,517
(Administrative expenses)		3,768	103,832	116,916	13,084
(Other expenditures)		----------	6,379	15,628	9,249
(Payment to Railroad Retirement Account.)		23,615	25,000	27,000	2,000

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

The old-age and survivors, and the disability insurance programs provide insurance against income loss due to death, retirement, or disability. Increased tax receipts result from an increase in the annual covered wage base from $4,800 to $6,600 effective Jan. 1, 1966, an increase in the combined employer-employee payroll tax from 6.75% to 7.0% on Jan. 1, 1966, and to 7.1% on Jan. 1, 1967, for the OASI portion and from 0.5% to 0.7% on Jan. 1, 1966, for the DI portion. Anticipated increases in average earnings will also add to tax receipts. Beginning in 1966, receipts of the old-age and survivors and disability insurance trust funds include reimbursements to the trust funds for increased expenses due to military service credits.

Increases in the OASI expenditures reflect the accretion of individuals to the beneficiary rolls and the increase in average payments as the system continues to mature. Beginning in 1966, both funds will also finance vocational rehabilitation services provided to disabled individuals who receive benefits under the program.

The number of individuals receiving monthly benefits at the end of each fiscal year are estimated as follows (in thousands):

	1965 actual	*1966 estimate*	*1967 estimate*
Retired individuals [1]	13,444	14,110	14,536
Disabled dependents	183	195	205
Survivors [2]	4,709	4,955	5,174
Disabled workers and their dependents	1,516	1,641	1,729

[1] Includes wives under retirement age who have children in their care.
[2] Includes children of retired workers.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Con.						
Hospital insurance trust fund...651	NOA	.....	(856,404)	(2,730,981)	(1,874,577)	Federal health insurance for the aged consists of a hospital insurance program and a supplementary medical insurance program separately financed and funded. The hospital insurance program is financed by a combined employer-employee payroll tax of 0.7% of annual covered wages beginning January 1, 1966, which will rise to 1.0% in January 1967. Costs of benefits for those not insured under the OASDI or Railroad Retirement program, though paid by the hospital insurance trust fund, are financed by a general fund appropriation. Benefits begin July 1, 1966.
Receipts appropriated:						
(Taxes: Appropriated)		.....	776,000	2,210,000	1,434,000	
(Deposits by States)		.....	45,000	171,000	126,000	
(Federal payment for military service and uninsured.)		.....	36,779	293,947	257,168	
(Receipts from Railroad Retirement account).		.....	.....	16,000	16,000	
Interest on investments		.....	8,597	40,026	31,429	
Other		.....	8	8	.....	
Expenditures	Exp.	.....	(53,221)	(2,426,146)	(2,372,825)	
(Benefit payments)		.....	.....	2,338,000	2,338,000	
(Administrative expenses)		.....	52,881	87,057	34,176	
(Other)		.....	340	1,089	749	
Federal supplementary medical insurance trust fund...651	NOA	.....	.....	(1,104,009)	(1,104,009)	Receipts in the supplementary medical insurance program (covering doctor bills) stem from $3 per month premium payments by enrollees and matching contributions from the general fund. Premium payments, contributions, and benefits begin on July 1, 1966.
Receipts appropriated:						
(Premium contributions)		.....	.....	550,000	550,000	
(Federal contributions)		.....	.....	550,000	550,000	The number of persons receiving benefits under these programs during fiscal 1967 are estimated as follows (in thousands):
(Interest on investments)		.....	.....	4,001	4,001	
(Other)		.....	.....	8	8	Hospital insurance program 4,375
Expenditures	Exp.	.....	.....	(899,218)	(899,218)	Supplementary medical insurance program 4,150
(Benefit payments)		.....	.....	765,000	765,000	
(Administrative expenses)		.....	.....	85,942	85,942	
(Payment to OASI)		.....	.....	47,082	47,082	
(Other)		.....	.....	1,194	1,194	

Miscellaneous trust funds.....651	NOA	336	278	269	−9	Gifts and contributions are expended for specified purposes, or are used to further the work of the Public Health Service.
	Exp.	564	302	271	−31	
653	NOA	1	1	1	.....	Gifts received for refugee assistance are used for that purpose.
	Exp.	.....	1	1	.....	
659		−1	.....	.....	.....	
Total, Department of Health, Education, and Welfare.	NOA	17,684,372	19,890,875	27,058,303	7,267,572	
	Exp.	17,460,251	20,832,974 [B] 7,907	25,144,140	4,303,259	
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT						
Federal National Mortgage Association, secondary market operations, trust revolving fund (authorization to expend corporate debt receipts).....551	NOA	90,780	269,994	135,000	−134,994	Mortgage purchases of $900 million will be less than the record $1,800 million expected in 1966; receipts will include sales of $25 million of mortgages. Government equity of $213 million will exceed private equity of $156 million at year end primarily because of Treasury purchase of preferred stock in 1966 and 1967.
	Exp.	91,468	1,399,500	500,000	−899,500	
DEPARTMENT OF THE INTERIOR						
Indian tribal funds.....409	NOA	123,528	103,801	103,371	−430	Certain funds of Indian tribes are maintained in trust and administered by the Secretary for their benefit.
	Exp.	74,015	69,846	58,738	−11,108	

[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
DEPARTMENT OF THE INTERIOR— Continued						
Miscellaneous trust funds.....401	NOA	2,652	2,341	1,111	−1,230	Non-Federal advances are deposited for shared land management activities and for construction of power and reclamation facilities.
	Exp.	2,003	3,095	2,200	−895	
403	NOA	1,176	1,600	1,600	.....	States, counties, municipalities, and private sources contribute funds for minerals and mining research.
	Exp.	1,299	1,520	1,580	60	
404	NOA	1,604	1,669	1,699	30	Contributions and receipts are used for fishery products inspection, sea lamprey control, and other work of the Fish and Wildlife Service.
	Exp.	1,584	1,634	1,699	65	
405	NOA	2,051	15,791	15,791	.....	Donations are mainly used for specified purposes of the National Park Service.
	Exp.	1,314	7,377	16,727	9,350	
409	NOA	5,386	5,100	5,100	.....	Certain revenues from Indian reservations, agencies, and schools are used for support of schools and agency functions.
	Exp.	5,049	5,350	5,400	50	
Total, Department of the Interior.	NOA	136,397	130,302	128,672	−1,630	
	Exp.	85,266	88,822	86,344	−2,478	
DEPARTMENT OF JUSTICE						
Alien property fund, trust revolving funds.....151	Exp.	−168,758	155,365	62,757	−92,608	(Seized property of enemy nations of World War II or their nationals is being liquidated and used for payment of claims and settlements. This program will be terminated in 1966.)
Federal prisons system trust revolving fund.....908	Exp.	27	−18	.....	18	(Profits from sales of sundries in prison commissaries are used for the benefit of prison inmates.)
Total, Department of Justice.	Exp.	−168,731	155,347	62,757	−92,590	

DEPARTMENT OF LABOR

Unemployment trust fund.....654	NOA	(4,131,763)	(3,909,611)	(3,923,376)	(13,765)	The fund combines financial activities of the Federal-State and railroad unemployment systems. Payroll taxes of employers are the principal source of receipts. States and the Railroad Retirement Board draw upon the funds to pay weekly benefits to unemployed eligibles, in addition to sickness benefits paid by the Railroad Retirement Board through this fund. Receipts include repayments of advances to States for temporary programs which extend the duration of unemployment benefits. The amounts shown for these repayments include estimated and actual repayments through the trust fund and exclude direct payments by States to the U.S. Treasury. The increase in Federal tax collections and interest on investments is partially offset by decline in scheduled repayments of advances for temporary extended unemployment compensation.
Receipts appropriated:						
(Deposits by States).....654		3,051,539	2,900,000	2,900,000	.....	
(Federal unemployment taxes):						
652		502,064	519,896	536,250	18,250	
654		340	225	231	6	
(Railroad unemployment insurance taxes).....654		142,781	144,800	144,910	110	
(Railroad unemployment insurance other).....654		67,750	59,200	59,090	−110	
(Advance for employment services): 652						
(Existing legislation).....		.....	.....	23,000	23,000	
(Proposed).....		.....	.....	−23,000	−23,000	
(Interest on investments)...654		255,265	268,000	280,000	12,000	
(Advances for temporary unemployment compensation).654		112,025	21,282	2,895	−18,387	
Expenditures:	Exp.	(3,129,985)	(2,890,403)	(2,947,279)	(56,876)	(The number of benefit payments made during 1965 (in thousands) was 61,123; the estimate for 1966 and 1967 is 56,130.)
(Withdrawals by States)...654		2,389,612	2,182,139	2,202,505	20,366	
(Railroad unemployment benefits).....654		115,243	102,000	102,000	.....	
(Administrative expenses)..652		412,767	473,004	527,064	54,060	Increase in administrative cost reflects an increase of $300 in the average wage payments to State personnel, improvement and expansion of the Federal-State Employment service, an increase of $20.7 million to finance the full year cost of specialized youth services, and an increase in unemployment insurance administrative costs of $3.9 million reflecting growth in covered employment and changes in State laws. These increases are partially offset by $13.6 million savings resulting from management improvements and increased productivity.
654		14,006	14,828	15,687	859	
(Temporary extended unemployment compensation benefits).....654		−2	.....	.....	.....	
(Repayment of advances for temporary extended benefits) 654		105,859	21,282	2,473	−18,809	
652		2,398	2,550	3,750	1,200	
(Other).....654		90,102	94,600	93,800	−800	

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
DEPARTMENT OF LABOR—Continued						
Bureau of Employees' Compensation trust funds 906	NOA	43	29	30	1	Receipts are from employers for the deaths of employees without eligible survivors, and from fines and penalties. Payments include certain permanent disability cases and rehabilitation maintenance benefit.
	Exp.	136	116	101	−15	
Miscellaneous trust funds 652	NOA	88	97	36	−61	Funds are advanced from sources outside the Federal Government to finance special statistical studies.
	Exp.	98	127	51	−76	
Total, Department of Labor	NOA	4,131,894	3,909,737	3,946,442 [A] −23,000	13,705	
	Exp.	3,130,219	2,890,464 [B] 182	2,947,421 [B] 10	56,785	
DEPARTMENT OF STATE						
Foreign Service retirement and disability fund 654	NOA	(9,937)	(10,111)	(10,394)	(283)	A retirement and disability system for Foreign Service officers and most Foreign Service staff officers and employees is maintained. Employing agencies match employee payments of 6½% of basic salaries. Approximately 1,545 annuitants will be receiving benefits at the end of 1967. Fund balances are invested in interest-bearing U.S. securities. Additional 1966 payment from the general fund is to finance changes in annuities pursuant to recent legislation without increasing the unfunded liability of the fund for the first fiscal year.
Receipts appropriated:						
(Employees' contribution)		4,673	4,633	4,772	139	
(Employer's contribution)		3,687	3,833 [A] 45	3,972	94	
(Interest on investment)		1,577	1,600	1,650	50	
Expenditures	Exp.	8,307	9,240 [A] 45	10,415	1,130	

Miscellaneous trust funds.....151	NOA	894	11	10	−1	Large unconditional gifts were received and expended in 1965.
	Exp.	910	34	10	−24	
152	NOA	325	225	225	.....	Other governments' funds are used for training of foreign nationals or requested services.
	Exp.	309	241	240	−1	
153	NOA	39	30	30	.....	These funds, from gifts, are for educational exchange.
	Exp.	25	30	30	.....	
Total, Department of State....	NOA	11,196	10,332 [A] 45	10,659	282	
	Exp.	9,550	9,545 [A] 45	10,695	1,105	
TREASURY DEPARTMENT						
National defense conditional gift fund.....059	NOA	151	.....	.....	.....	
	Exp.	151	.....	.....	.....	
Foreign claims fund.....151	NOA	2,000	2,000	4,755	2,755	NOA and expenditures for 1967 are principally for the Polish and Rumanian claims fund.
	Exp.	1,846	5,000	5,800	800	
Coast Guard general gift fund...502	NOA	28	42	10	−32	Decrease results from nonrecurring sale in 1966 of invested assets to purchase boats for training at the Coast Guard Academy.
	Exp.	5	42	25	−17	
Miscellaneous trust fund.....904	NOA	21,855	22,380	23,026	646	Increase is principally estimated work volume and increased salary costs for Customs activities in Puerto Rico and Virgin Islands.
	Exp.	20,957	22,616	23,027	411	
Total, Treasury Department.	NOA	24,034	24,421	27,791	3,370	
	Exp.	22,959	27,658	28,851	1,193	
ATOMIC ENERGY COMMISSION						
Advances for non-Federal projects 058	NOA	1,230	1,325	276	−1,049	Advances from the Washington Public Power Supply System are for work related to construction of electric facilities at Richland, Wash.
	Exp.	942	1,752	276	−1,476	

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
GENERAL SERVICES ADMINISTRATION						
Advances for construction services (receipts to liquidate contract authorization) 905	Exp.	(41)				Final settlement of the contract for the construction of a building for the FDIC in Washington was made in 1965.
National Archives gift fund 905	NOA	2,203	193	189	−4	Grants from foundations are made for historical research.
	Exp.	147	350	400	50	
Advances and reimbursements 905	Exp.	26	26		−26	(Expenditures incident to construction of Potomac Interceptor Sewer.)
National Archives (trust revolving fund) 905	Exp.	−4	−91	−95	−4	(Microfilm and reproduction service and admission fees to Presidential libraries are used for operations.)
Total, General Services Administration.	NOA	2,203	193	189	−4	
	Exp.	211	285	305	20	
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION						
Miscellaneous trust funds 251	NOA	541	21	21		Advances from foreign governments and gifts and donations are used for purchase of materials and services.
	Exp.	50	495	141	−354	

VETERANS ADMINISTRATION						
Life insurance funds.....805	NOA	(710,532)	(721,214)	(722,710)	(1,496)	The National Service (World War II) and U.S. Government (World War I) life insurance funds will cover 5 million policies, $31 billion of insurance in force at end of 1967. Premium receipts and interest earned thereon are available for the payment of liabilities. There is an increase in expenditures largely because some dividends scheduled for payment in 1966 were paid in 1965 and because there will be an unusually large number of endowments coming into maturity. Fund balances are in U.S. securities; assets exceeded actuarial liabilities by $96.3 million on June 30, 1965.
Receipts appropriated:						
(Premiums and other operating receipts.)		487,717	490,253	490,333	80	
(Payments from general and special funds.)		6,910	6,768	6,028	−740	
(Interest on investments).....		215,907	224,192	226,349	2,157	
Expenditures.....	Exp.	615,524	542,534	671,591	129,057	
Miscellaneous trust funds.....805	NOA	1,811	1,750	1,750	.....	NOA is mainly receipts of the general post trust fund, used for the welfare of veterans at homes and hospitals. Decrease in expenditures is due to payment of the balance of the adjusted service certificate fund to the appropriation, compensation and pensions in 1966.
	Exp.	1,514	4,276	1,630	−2,646	
Total, Veterans Administration.	NOA	712,343	722,964	724,460	1,496	
	Exp.	617,038	546,810	673,221	126,411	
OTHER INDEPENDENT AGENCIES						
American Battle Monuments Commission contributed fund.....805	NOA	4	16	4	−12	Contributions for flowers and for repair of non-Federal war memorials are used as intended.
	Exp.	4	16	4	−12	
Civil Service Commission:						
Civil service retirement and disability fund.....654	NOA	(2,664,373)	(2,769,764)	(2,850,927)	(81,163)	Most civilian workers are covered by this fund. Under existing legislation, employees and employing agencies each pay 6½% of basic salaries. About 814,000 persons are expected to be on annuity rolls by June 1967. Fund balances are invested in U.S. securities. Receipts include $65 million in 1965, $67 million in 1966, and $73 million in 1967 from general funds under Public Law 87-793.
Receipts appropriated:						
(Employing agency contributions).		1,050,356	1,073,500	1,081,300	7,800	
(Deductions from salaries)..		1,050,416	1,073,500	1,081,300	7,800	
(Voluntary contributions, etc.).		81,430	83,403	89,403	6,000	
(Interest on investments).....		482,171	539,361	598,924	59,563	
Expenditures.....	Exp.	1,438,147	1,614,906	1,791,332	176,426	

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
OTHER INDEPENDENT AGENCIES—Continued						
Civil Service Commission—Continued						
Employees health benefits fund (trust revolving fund).....654	Exp.	−9,278	8,525	−8,480	−17,005	(Employees health benefits fund will have 2,332,000 participants by June 1967; employees life insurance fund, 2,660,000; and retired employees health benefits fund, 214,000.)
Employees life insurance fund (trust revolving fund).....654	Exp.	−26,361	−15,483	−49,895	−34,412	
Retired employees health benefits fund (trust revolving fund)..654	Exp.	−782	76	536	460	
Federal Communications Commission trust revolving fund.....508	Exp.	−116	.....	.....	.....	(Fund is used as clearinghouse for settlements with foreign governments on radiotelephone and radiotelegraph messages.)
Foreign Claims Settlement Commission, war claims fund.....151	NOA	9,500	142,500	23,750	−118,750	Alien property fund receipts are appropriated for claims under the General War Claims Act.
	Exp.	102	19,000	47,400	28,400	
General Accounting Office trust fund.....904	NOA	6	5	5	.....	Estates are held in trust for legal claimants.
	Exp.	1	5	5	.....	
Historical and Memorial Commissions: Civil War Centennial Commission, donations.....910	Exp.	.....	1	.....	−1	(Donations were used under the terms received.)
Intergovernmental Commissions:						
Appalachian Regional Commission.....507	NOA	.....	72	80	8	Donations are used under the terms received.
	Exp.	.....	72	80	8	
Commission on the Status of Puerto Rico.....910	NOA	245	200	.....	−200	
	Exp.	113	288	49	−239	

National Capital Housing Authority trust revolving fund.....555	Exp.	588	52	1,450	1,398	(Activity of $28.0 million involves 10,900 housing units.)
National Capital Planning Commission contributed fund.....555	NOA	.....	102	6,100	5,998	Maryland will contribute $2.9 million and Virginia $3.2 million as their matching shares of like amounts requested to be appropriated for completion of the George Washington Memorial Parkway.
	Exp.	76	657	3,000	2,343	
National Foundation on the Arts and Humanities.....704	NOA	.....	1,000	2,000	1,000	Donations are accepted to support the purposes of the foundation.
	Exp.	.....	1,000	2,000	1,000	
Railroad Retirement Board: Railroad retirement account....654	NOA	(1,336,761)	(1,418,558)	(1,584,201)	(165,643)	The Railroad Retirement system serves as a combined social insurance and staff retirement system for workers in the railroad industry. Increased tax receipts result from changes in the annual covered wage base and tax rates scheduled under the 1965 amendments to the Railroad Retirement Act, as well as the additional taxes to cover hospital insurance. Increased income comes also from the financial interchange with the Social Security program. Expenditures increase primarily because of the increase in the number of beneficiaries, and the first payment to the Federal Hospital Insurance Trust Fund. The sharper rise in 1966 reflects the elimination of restrictions on the concurrent receipt of spouse's benefits under the Railroad Retirement and Social Security systems. The number receiving monthly benefits at the end of each year is as follows (in thousands).
Receipts appropriated:						
(Employment taxes).....		630,429	689,000	772,000	83,000	
(Interest on investments).....		143,134	148,400	154,200	5,800	
(Payment from OASI trust fund.)		435,638	445,000	520,000	75,000	
(Payment from Federal disability insurance trust fund.)		23,615	25,000	27,000	2,000	
(Payment for military service credits.)		13,834	16,558	17,201	643	
(Repayment of advances to Railroad Unemployment insurance account.)		77,935	83,000	83,000	.....	
(Interest on refunds).....		9	.....	.....	.....	
(Other).....		12,167	11,600	10,800	−800	
Expenditures:	Exp.	(1,184,951)	(1,239,725)	(1,274,175)	(35,300)	
(Benefit payments).....		1,116,370	1,176,000	1,195,000	19,000	
(Administrative expenses).....		10,342	10,875 [A] 850	11,175	−550	
(Proposed payment to hospital insurance trust fund.)		.....	.....	16,000	16,000	
(Advances for unemployment insurance.)		58,230	52,000	52,000	.....	
(Interest and refunds).....		9	.....	.....	.....	

	1965 actual	1966 estimate	1967 estimate
Retired individuals.....	495	516	519
Disabled and their dependents.....	102	102	103
Survivors.....	284	292	299

[A] Proposed for separate transmittal, other than pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
OTHER INDEPENDENT AGENCIES—Continued						
Smithsonian Institution trust fund 704	NOA	15	15	15	.....	Donations, subscriptions, and fees are used for part of cost of the Canal Zone Biological Area.
	Exp.	19	15	15	.....	
Tax Court of the United States trust fund 904	NOA	27	27	27	.....	Judges pay 3% (currently $7 thousand) and the Government pays the remainder ($20 thousand) to finance survivors annuity system.
	Exp.	11	20	20	.....	
United States Information Agency trust funds 153	NOA	27	4	5	1	Increase due to higher contributions by business concerns for international exhibits.
	Exp.	50	7	6	−1	
Total, other independent agencies.	NOA	4,010,958	4,332,263	4,467,114	134,851	
	Exp.	2,587,525	2,868,882	3,061,693	192,811	
DISTRICT OF COLUMBIA						
District of Columbia receipts appropriated:						
Current appropriations 555	NOA	420,951	395,257 [A] 4,488 [B] 2,145	487,384 [A] 4,510	9,004	Funds of the municipal government are accounted for through the U.S. Treasury as trust funds. Congressional appropriations of municipal funds are required currently for most municipal activities. Supplementals in 1966 and 1967 provide for pay raises (under proposed legislation) for teachers, policemen, and firemen. Supplemental for 1966 is also for payment of overtime to policemen, firemen, and for wage board pay increases.
Permanent appropriations 555	NOA	1,626	1,593	1,637	44	
	Exp.	384,521	439,100 [A] 4,448 [B] 2,025	484,562 [A] 4,510 [B] 120	43,579	

DEPOSIT FUNDS

Legislative Branch	Exp.	−237	185	1	−184
The Judiciary	Exp.	−50			
Executive Office of the President	Exp.	−200	24	25	1
Funds appropriated to the President	Exp.	−11,067	−1,576	−7,963	−6,387
Department of Agriculture	Exp.	−6,373	−6,913	−7,360	−447
Department of Commerce	Exp.	184	−95	−109	−14
Department of Defense—Military	Exp.	29,953	21,005	13,408	−7,597
Department of Defense—Civil	Exp.	−6,682	−6,950	−7,950	−1,000
Department of Health, Education, and Welfare.	Exp.	−1,313	−263	−166	97
Department of Housing and Urban Development.	Exp.	−10,569	10,460		−10,460
Department of the Interior	Exp.	−84,464	−86,700	63,300	150,000
Department of Justice	Exp.	−459	−100	150	250
Department of Labor	Exp.	−63	−65	−65	
Post Office Department	Exp.	980	1,000	1,000	
Department of State	Exp.	−1,148			
Treasury Department	Exp.	−136,098	−100,000	−100,000	
Atomic Energy Commission	Exp.	−545			
Federal Aviation Agency	Exp.	−826	−130	−6,130	−6,000
General Services Administration	Exp.	−1,513	120	−25	−145
National Aeronautics and Space Administration.	Exp	1,381	3,400		−3,400
Veterans Administration	Exp.	1,413	1,413	1,413	
Independent Offices:					
Farm Credit Administration	Exp.	1,413	1,400	1,400	
Federal Deposit Insurance Corporation.	Exp.	−1,149	1,986	−1,191	−3,177
Federal Home Loan Bank Board	Exp.	17,898	−5,000	2,000	7,000
Smithsonian Institution	Exp.	−548	329		−329
Other	Exp.	937	187	−225	−412
District of Columbia	Exp	−461	−160		160
Total, deposit funds	Exp.	−209,606	−166,443	−48,487	−117,956

(These funds account for collections that are either (a) held in suspense temporarily and later refunded, or paid into some other fund of the Government; or (b) held by the Government as banker or agent for others. These amounts are the net change in balances of all deposit funds in each agency. A negative figure indicates an excess of receipts over disbursements.)

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

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ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
TRUST FUNDS—Continued						
GOVERNMENT-SPONSORED ENTERPRISES						
Farm Credit Administration: Banks for Cooperatives.....352	Exp.	189,231	69,360	80,000	10,640	(Bank operations are financed by $52.0 million of Government capital and $105.0 million of private capital as of June 1965.)
Federal Intermediate Credit Banks 352	Exp.	149,032	201,077	212,205	11,128	(Bank operations are financed by $123.4 million of Government capital and $69.3 million of private capital as of June 1965.)
Federal Land Banks.....352	Exp.	561,021	300,000	300,000	.....	(Banks are wholly privately owned enterprise.)
Federal Home Loan Bank Board: Home loan banks.....551	Exp.	659,661	142,410	200,000	57,590	(Banks are wholly privately owned enterprise.)
Federal Deposit Insurance Corporation.....506	Exp.	−179,957	−220,133	−223,003	−2,870	(Premium receipts and interest on investments in U.S. securities exceed current claims and expenses; corporation has no capital stock.)
Total, Government-sponsored enterprises.	Exp.	1,378,989	492,714	569,202	76,488	

GRAND TOTALS—TRUST FUNDS

Total new obligational authority	32,001,510	35,040,797 [A] 4,623 [B] 2,201	42,319,639 [A] 264,760	7,536,778
Expenditures:				
Subtotal	30,275,831	34,565,158	38,648,836	4,083,678
Interfund transactions	−638,438	−794,963	−766,817	
Total expenditures	29,637,393	33,770,195 [A] 5,470 [B] 10,168	37,767,374 [A] 114,513 [B] 132	4,096,186

[A] Proposed for separate transmittal, other than pay increase supplemental.
[B] Proposed for separate transmittal, civilian pay increase supplemental.

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES BY AGENCY (in thousands of dollars)—Continued

Account and functional code		1965 enacted	1966 estimate	1967 estimate	Increase or decrease (−)	Explanation of NOA requests
MEMORANDUM—ANNEXED BUDGETS						
Department of Agriculture:						
Milk Marketing Administration:						
Not included above	Exp.	−15				(Operations are financed by assessments on regulated milk handlers.)
Treasury Department:						
Comptroller of the Currency:						
Included under "Deposit funds" above.*	Exp.	−1,819	−1,143	−1,459	−316	(Operations are financed primarily by assessments from national banks.)
Exchange Stabilization Fund:						
Included under "Deposit funds" above.	Exp.	59,499				(The fund is financed by $200 million of Government capital and by earnings.)
Operating expenditures	Exp.	(4,072)	(4,322)	(4,315)	(−7)	
Other Independent Agencies:						
Board of Governors of Federal Reserve System:						
Not included above*	Exp.	85	303	−122	−425	(Operations are financed by levies upon the Federal Reserve Banks, in proportion to their capital and surplus.)
Farm Credit Administration:						
Banks for Cooperatives:						
Included under "Government-sponsored enterprises" above.	Exp.	189,231	69,360	80,000	10,640	(Loan program is estimated at $1.6 billion in 1967, slightly higher than 1966. Repayments of loans and other income will be supplemented by borrowing from the public of $73 million in 1966 and $85 million in 1967. Government capital is being retired by $13.5 million in 1966 and $7.6 million in 1967. See further explanation under Government-sponsored enterprises, above.)
Included under "Deposit funds" above.	Exp.	−1,004	1,430	550	−880	
Not included above	Exp.	−5,005	2,680	5,000	2,320	
Total	Exp.	183,222	73,470	85,550	12,080	

Federal intermediate credit banks:						
Included under "Government-sponsored enterprises" above.	Exp.	149,032	201,077	212,205	11,128	(Loan program is estimated at $5.8 billion for 1967, which is $426 million more than the estimated loans for 1966. Repayments of loans and other income will be supplemented by borrowing from the public of $201 million in 1966 and $212 million in 1967. Government ownership of capital stock is being increased by $2.3 million in 1966. See further explanation under Government-sponsored enterprises, above.)
Included under "Deposit funds" above.	Exp.	1,697	−1,455	285	1,740	
Not included above	Exp.	11,959	−130	−655	−525	
Total		162,688	199,492	211,835	12,343	
Federal Deposit Insurance Corporation:						
Included under "Government-sponsored enterprises" above.	Exp.	−179,957	−220,133	−223,003	−2,870	(Insured deposits continue to grow with expansion of the population and the economy. The cumulative net income, which is being retained as a reserve, is estimated to be approximately $3.1 billion by June 1966 and $3.3 billion by June 1967. The principal revenues are from insurance assessments (approximately $106 million for 1966 and $112 million for 1967) and interest on investments ($112 million and $115 million for the same 2 years). See further explanation under Government-sponsored enterprises, above.)
Included under "Deposit funds" above.	Exp.	−1,150	1,986	−1,191	−3,177	
Total		−181,107	−218,147	−224,194	−6,047	
Total:						
Included under "Government-sponsored enterprises" above.	Exp.	158,306	50,304	69,202	18,898	
Included under "Deposit funds" above.	Exp.	57,223	818	−1,815	−2,633	
Not included above	Exp.	7,024	2,853	4,223	1,370	
Total, annexed budgets	Exp.	222,553	53,975	71,610	17,635	

*Amounts reported are on a calendar year basis.

PART 6

SPECIAL ANALYSES

Special Analysis A

THREE MEASURES OF FEDERAL FINANCIAL TRANSACTIONS

Data on Government financial transactions are used for many purposes. No single set of accounts can serve all purposes equally well. As a result, various budget concepts and forms have been developed to meet different needs. The three measures of Federal receipts and expenditures most commonly used are: (1) the administrative budget, (2) the consolidated cash statement of Federal transactions, and (3) the Federal sector of the national income and product accounts. A reconciliation of these three measures is presented in table A–1.

For many years, the administrative budget served as the principal financial plan for conducting the affairs of Government. It represents a focal point for management and decisionmaking with respect to Government activities which are financed by the Government's own funds. As long as almost all Federal financial transactions were carried out with federally owned funds, the administrative budget provided adequate coverage.

In recent years, however, trust fund operations which are not included in administrative budget totals have grown rapidly. As a result, the flow of financial transactions between the Federal Government and the public is considerably larger than is shown by the administrative budget. For this reason, the consolidated cash statement of Federal receipts from and payments to the public is designed to present more fully the flow of total cash transactions (excluding borrowing) between the Federal Government and the public. Thus, the consolidated cash statement is useful for determining Government financing and net borrowing requirements and for analyzing the Federal impact on money and credit.

Federal receipts and expenditures in the national income and product accounts provide a measure of the direct impact of Federal fiscal activity on the Nation's current flow of income and output. This measure was specifically designed to complement the data on private expenditures and incomes contained in the Department of Commerce national income accounts. The Federal sector account is especially suited for an analysis of fiscal and economic policy.

For certain types of problems, none of these measures of receipts and expenditures will serve adequately. Economic activity may be affected by Government transactions which are not reflected immediately or fully in receipts and expenditures. For example, a rapid expansion in new appropriations and in Government orders could stimulate a rise in business activity well before either the delivery of goods, the performance of services, or the payment for them. The management of public debt, loan guarantees, and loan insurance programs have a significant impact in the money and credit markets of the economy not fully reflected by the level of budget expenditures. Consequently, in evaluating the economic impact of Federal Government activities, there is no substitute for complete and detailed analysis of the Government program in all its aspects.

Table A-1. **RELATION OF THREE MEASURES OF FEDERAL RECEIPTS AND EXPENDITURES, 1965–67**

[In billions of dollars]

	1965 actual	1966 estimate	1967 estimate
RECEIPTS			
Administrative budget receipts	93.1	100.0	111.0
Plus: Trust fund receipts	31.0	33.5	41.6
Less: Intragovernmental transactions	4.3	4.5	5.5
Receipts from exercise of monetary authority	.1	.9	1.6
Equals: Federal receipts from the public	119.7	128.2	145.5
Less: Cash transactions excluded from Federal receipts account:			
Coverage differences:			
District of Columbia	.3	.3	.3
Other	.1	.1	.1
Financial transactions: Receipts from loan repayments	.4	.1	.2
Miscellaneous: Sale of land, etc	.2	.1	.1
Plus: Items added to Federal sector account but not in cash receipts:			
Netting differences	.7	.1	−.1
Contributions to Government employee retirement funds	(2.2)	(2.2)	(2.2)
Receipts netted against expenditures, etc	(−1.5)	(−2.1)	(−2.3)
Timing differences: Excess of tax accruals (+) or collections (−) (corporate, personal, social insurance contributions, etc.)	.2	1.0	−2.6
Miscellaneous	*	.1	.1
Equals: Federal receipts, national income and product accounts	119.6	128.8	142.2
EXPENDITURES			
Administrative budget expenditures	96.5	106.4	112.8
Plus: Trust fund expenditures (including Government-sponsored enterprises net)	29.6	33.8	37.9
Less: Intragovernmental transactions	4.3	4.5	5.5
Debt issuance in lieu of checks and other adjustments	−.6	.7	.2
Equals: Federal payments to the public	122.4	135.0	145.0
Less: Cash transactions excluded from Federal sector expenditures account:			
Coverage differences:			
District of Columbia, Federal home loan banks, and Federal land banks	1.6	.8	1.0
Other	.2	.3	.3
Financial transactions:			
Net lending in cash expenditures	2.4	1.5	−1.4
Net foreign currency purchases	.9	1.0	1.0
Miscellaneous: Acquisition of land, etc	.7	.4	.7
Plus: Items added to Federal sector account but not in cash payments:			
Netting differences	.7	.1	−.1
Contributions to Government employee retirement funds	(2.2)	(2.2)	(2.2)
Receipts netted against expenditures, etc	(−1.5)	(−2.1)	(−2.3)
Timing differences:			
Excess of deliveries and accruals (+) or payments (−)	1.5	−.6	−.8
Checks outstanding and certain other accounts	−.9	.1	−.1
Miscellaneous: Net expenditure of foreign currency and other	.4	.4	.3
Equals: Federal expenditures, national income and product accounts	118.3	131.0	142.7

*Less than $50 million.

Administrative Budget

The administrative budget covers receipts and expenditures of funds owned by the Federal Government—the general fund, special funds, public enterprise funds, and intragovernmental revolving and management funds. Interfund transactions between these Federal accounts are excluded from the total while business-type activities (such as the Post Office) are normally recorded as "net expenditures."

Although budget documents placed before the Congress have regularly included both federally owned funds and funds held in trust by the Government, only the former have been traditionally used to calculate budget totals.

Consolidated Cash Statement

The consolidated cash statement of Federal receipts and payments is more comprehensive than the administrative budget in that it includes the receipts and expenditures of trust funds as well as funds wholly owned by the Federal Government. Since the consolidated cash statement measures the flow of cash between the public and the Government, intragovernmental transactions (transactions between budget and trust fund accounts) are excluded. Government payments are recorded when checks are cashed while administrative budget outlays are recorded when checks are issued.

Federal Sector of the National Income Accounts

The Federal sector of the national income and product accounts—like the consolidated cash statement—includes most administrative budget and trust fund transactions. However, in contrast both to the consolidated cash statement and the administrative budget, only those receipts and expenditures which directly affect the current flow of income and output are recorded. The national income accounts exclude all borrowing and lending transactions. The Federal sector account, therefore, excludes transactions involving purely financial claims such as loans and purchases or sales of land. Such transactions represent neither the production of current output nor incomes, even though they may have indirect effects on the level or composition of economic activity.

Both the administrative budget and consolidated cash statement count business tax receipts, like other receipts, as they are collected. In contrast, the Federal sector account records some tax receipts—particularly corporate income taxes—as they accrue, on the ground that the main economic impact of these taxes is more closely associated with the accrual of liabilities than with actual cash collections. Also, the Federal sector records most purchases of goods and services when delivery is made, while the administrative budget records most expenditures at the time checks are issued and the consolidated cash statement when funds are withdrawn from Treasury accounts (cash or checks-paid).

Table A-2. **FEDERAL RECEIPTS AND EXPENDITURES IN THE NATIONAL INCOME ACCOUNTS** (in billions of dollars)

Description	1965 actual	1966 estimate	1967 estimate
RECEIPTS, NATIONAL INCOME BASIS			
Personal tax and nontax receipts	51.2	54.8	60.5
Corporate profits tax accruals	27.0	29.3	31.1
Indirect business tax and nontax accruals	16.8	15.9	16.5
Contributions for social insurance	24.6	28.8	34.1
Total receipts, national income basis	119.6	128.8	142.2
EXPENDITURES, NATIONAL INCOME BASIS			
Purchases of goods and services	64.5	70.7	74.4
Transfer payments	30.3	34.2	39.2
Grants-in-aid to State and local governments	10.9	12.8	14.7
Net interest paid	8.6	9.0	9.7
Subsidies less current surplus of Government enterprises	4.1	4.3	4.7
Total expenditures, national income basis	118.3	131.0	142.7
Surplus (+) or deficit (−), national income basis	+1.2	−2.2	−.5

Federal sector receipts.—Federal receipts on a national income basis largely reflect the tax payments or liabilities of individuals, corporations and other businesses arising out of incomes earned as well as other tax and nontax receipts. These receipts are classified into the following four categories: (1) personal tax and nontax receipts, (2) corporate profits tax accruals, (3) indirect business tax and nontax accruals, and (4) receipts from contributions for social insurance.

Personal tax and nontax receipts consist mostly of individual income taxes, estate and gift taxes, fines, fees, and rental receipts. Corporate profits tax accruals represent the Federal tax liability incurred and accrued by resident corporations on their corporate earnings during the specified year or period. Collections of Federal corporate income taxes usually lag the accruals. Indirect business tax and nontax accruals consist primarily of excise taxes, customs duties, and Federal receipts from rent and royalties. Receipts from contributions for social insurance are composed chiefly of employment taxes, contributions to the retirement funds for Government employees, and deposits by the States to the unemployment trust fund

Federal sector expenditures.—Federal expenditures on a national income basis represent either purchases of currently produced goods and services or outlays which directly affect current levels of income. These expenditures are classified in the following five categories: (1) purchases of goods and services, (2) transfer payments, (3) grants-in-aid to State and local governments, (4) net interest paid, and (5) subsidies less current surplus of Government enterprises. The definitions of the categories have been developed by the Department of Commerce consistent with the framework of accounts covering the Nation's total economic activity.

1. *Purchases of goods and services.*—These purchases represent the value of the Nation's currently produced output bought directly by the Federal Government. Expenditures for goods and services represent the production and use of resources and constitute a part of the gross national product. They are reported in the national income accounts net of Government sales of goods and services.

Purchases include the pay of active military and civilian employees of the Federal Government, employer contributions for retirement, insurance, and other benefits for Federal employees, deliveries of equipment and supplies for defense and other programs, new construction and purchase of existing structures, payments on research and development contracts with corporations and on similar grants to private nonprofit institutions, expenditures for the purchase of commodities to be donated to schools or similar institutions, and generally, the administrative expenses of Government programs. Net interest paid to (or received from) foreigners is included in (or deducted from) purchases of goods and services.

2. *Transfer payments.*—Transfer payments consist of expenditures by the Federal Government for which no current output or services have been rendered; in other words, they are payments to certain recipients for which no contribution to national production is made during the time period under consideration. Transfer payments are classified into two categories—domestic and foreign.

Domestic transfer payments consist of monetary transfers to persons or nonprofit institutions in the United States (excluding territories and possessions). Examples of domestic transfer payments are: Veterans compensation, pensions, and benefits; retired pay to Federal civilian or military personnel; unemployment benefits; old-age, survivors, and disability insurance; nonrepayable outlays for scholarships and fellowships; and payments for construction of private nonprofit hospitals.

Although transfer payments do not directly enter GNP calculations as a Federal Government component, they do enter into the income stream and have an impact on national output when respent by the recipients.

Foreign transfer payments consist of Federal nonmilitary transfers of money, commodities, or services for which no dollar reimbursement is received.

3. *Grants-in-aid to State and local governments.*—Grants, for purposes of the national income accounts, are Federal payments (other than for interest on the public debt) to State and local governments, including State and local educational institutions. Most of the grants-in-aid and the shared revenues in Special Analysis J of the budget are included in grants. Excluded, however, are items such as (a) construction outlays for private nonprofit hospitals, (b) grants-in-kind such as farm commodities distributed to State and local government units, and (c) payments to Puerto Rico, the Virgin Islands, and other possessions. Payments to public educational institutions for research and development contracts are recorded as grants. Like transfer payments and net interest paid, Federal grants-in-aid are counted in the GNP when respent by recipients—in this case, as purchases by State and local governments or as consumption expenditures of individuals receiving State or local transfer payments.

4. *Net interest paid.*—Net interest paid consists of the interest outlays to residents (including State and local governments) minus the interest received from them.

5. *Subsidies less current surplus of Government enterprises.*—This category consists of two elements which are consolidated for analytical and statistical reasons: (a) subsidy payments to resident businesses, and (b) the "current surplus" or "deficit," as the case may be, of Government enterprises.

(a) In principle, a Government expenditure becomes a subsidy when it enables a producer to sell goods and services below the cost-price relationship determined by market forces or when it is a payment made to curtail production. By definition, therefore, subsidies are made only to businesses organized for profitmaking purposes (including farms). Examples of subsidies are Government payments to farmers for land retirement, certain outlays for the export of surplus agricultural commodities by business, payments to air carriers, and the operating differential subsidy of the Maritime Administration.

(b) Government enterprise is the term applied to those functions of the Government (usually appearing in the budget as public enterprise revolving funds) whose operating costs are to a great extent covered by the sale of goods and services to the public, as opposed to being financed by tax receipts. In short, Government enterprises conduct operations which are of a commercial nature. The difference between their sales and operating expenses constitutes the surplus or deficit of government enterprises.

Relationship of Consolidated Cash Statement to the Administrative Budget

Certain adjustments are needed to derive the consolidated cash statement from administrative budget totals, as summarized in table A–1.

1. *Trust funds.*—The consolidated cash statement covers the financial transactions of Federal trust funds (including Government-sponsored enterprises) in addition to administrative budget receipts and expenditures. Accordingly, excise taxes that support the highway trust fund, employment taxes, deposits by States for unemployment insurance, veterans life insurance premiums, and other trust fund receipts are included along with the corresponding trust fund disbursements.

2. *Intragovernmental transactions.*—Administrative budget receipts include amounts paid into the Treasury by trust funds. (These amounts are also reported as trust fund expenditures.) Similarly, there are trust fund receipts, such as interest on trust fund holdings of U.S. securities, which are also reported as administrative budget expenditures. In consolidating the transactions of budget and trust funds, these intragovernmental transactions are eliminated from the combined receipts and expenditures since no exchange of cash with the public is involved in these operations.

Table A-3. **INTRAGOVERNMENTAL TRANSACTIONS EXCLUDED FROM THE CONSOLIDATED CASH STATEMENT**

[In millions of dollars]

Description	1965 actual	1966 estimate	1967 estimate
Administrative budget receipts which are trust fund expenditures:			
Franchise taxes from Government-sponsored enterprises	5	5	5
Dividends, interest, etc., from Federal National Mortgage Association	17	16	22
Reimbursements for expenses and services	66	72	76
Repayment of advances from unemployment trust fund and other	106	21	2
Total, administrative budget receipt items	194	114	105
Trust fund receipts which are administrative budget expenditures:			
Interest on trust funds	1,770	1,822	1,970
Contributions for military service credits	14	122	122
Federal supplementary medical insurance			550
Transitional coverage for hospital insurance		26	283
Payments to District of Columbia (including Federal grants-in-aid)	102	101	152
Employing agencies' payments to employees' retirement funds	1,111	1,136	1,150
Awards to Indian tribal funds	58	86	85
Contributions to veterans life insurance funds	7	7	6
Other	1	1	1
Total, trust fund receipt items	3,063	3,301	4,318
Deductions from employees' salaries for retirement	1,046	1,069	1,077
Total, intragovernmental transactions	4,303	4,484	5,500

3. *Exercise of monetary authority.*—These receipts now come mostly from seigniorage; that is, they represent the difference between the cost of the metal in coins and the face value of the coins as money. Seigniorage is included in administrative budget receipts, but is not a cash receipt from the public.

4. *Debt issuance in lieu of checks.*—In a few cases, Government expenditures are made by issuing bonds or notes, or increasing the value of bonds outstanding in lieu of issuing checks. Such transactions are recorded in the administrative budget as expenditures when the debt is thus increased, even though no cash outflow takes place until the debt instrument is redeemed.

For example, the administrative budget records interest on savings bonds when it accrues (and is added to the redemption value currently payable) rather than when it is actually paid. In computing cash payments to the public, interest payments are included only when the bonds are cashed. Therefore, an adjustment is made for the difference between the amount of interest accrued and the amount paid.

A second example involves transactions in special notes used to pay certain U.S. Government obligations. The Government has paid a

portion of its subscriptions to the International Monetary Fund, the International Development Association, and the Inter-American Development Bank in non-interest-bearing notes. The notes are considered administrative budget expenditures and become part of the public debt when they are issued. However, they are not counted as a payment to the public until they are redeemed for cash, at which time they cease to be part of the public debt. Conversely, when the institutions return cash to the Treasury in exchange for notes, payments to the public are reduced by the amount of the cash receipts and a corresponding increase in the public debt takes place.

Table A-4. **DEBT ISSUANCE IN LIEU OF CHECKS, NET** (in millions of dollars)

Description	1965 actual	1966 estimate	1967 estimate	End 1967 outstanding
Accrued interest added to value of debt (savings bonds, etc.)	715	711	448	13,269
Treasury notes issued for:				
International Monetary Fund	−472			3,167
International Development Association	−4	−95	−43	
Inter-American Development Bank			−75	75
United Nations funds securities	11	−41	−40	3
Armed Forces leave bonds issued [1]	−1	−1	−1	5
Adjusted-service bonds issued	*	*	*	1
Excess profits tax refund bonds issued [2]	*	*	*	1
Total, debt issuance in lieu of checks, net	250	574	289	16,521

*Less than one-half million.
[1] Negative figures represent net redemption.
[2] Reported as refunds of receipts.

5. *Changes in outstanding checks.*—Administrative budget and trust fund expenditures are recorded at the time checks are issued. To reflect more accurately the point in time at which cash payments actually affect Treasury cash balances, an adjustment is made to place expenditures on a checks-paid basis.

Relationship of Federal Sector Account to the Consolidated Cash Statement

There are a number of important differences between the Federal sector account and the consolidated cash statement. These are shown in table A-1.

Exclusions from the cash budget: Certain transactions reported as receipts or expenditures in the consolidated cash statement are excluded or treated differently in the Federal sector accounts:

1. *Coverage differences.*—Cash receipts and expenditures of the District of Columbia are excluded from the Federal sector and included in the State and local government sector of the national income accounts. Likewise, the net expenditures of the Federal Home Loan Banks and the Federal Land Banks are classified elsewhere and excluded from the Federal sector accounts. Geographical exclusions relate to Federal transactions with Puerto Rico, the Virgin Islands, and other possessions.

2. *Financial transactions.*—The Federal sector account excludes financial transactions (cash loan repayments and disbursements) since these reflect the exchange of one kind of financial instrument for another. Also excluded are dollar cash outlays for the acquisition of foreign currency—such as Commodity Credit Corporation payments to exporters in exchange for foreign currencies received for the export.

3. *Miscellaneous adjustments.*—These include primarily transactions involving the sale or purchase of land—items which are included in the cash budget but not in the Federal sector account.

Additions to the cash budget: The Federal sector accounts include some transactions which are not reflected in cash receipts or expenditures:

4. *Netting differences.*—Employer and employee contributions to Federal employees' retirement funds are excluded from the consolidated cash statement as intragovernmental transactions. In the national income accounts, however, these contributions are considered to be part of the total compensation of Government employees and part of contributions for social insurance. The deficit or surplus is unaffected by the adjustment since total receipts and expenditures are both increased by the same amount.

Expenditures in the Federal sector account for purchases, interest, and the current surplus or deficit of Government enterprises are recorded net of receipts derived from products or services sold, interest received, and enterprise sales. Where these receipts are included in cash receipts, they are netted against expenditures in the Federal sector account. Again this adjustment does not influence the surplus or deficit, for in effect both receipts and expenditures are decreased by the same amount.

5. *Timing differences.*—Business taxes are recorded in the national income accounts as they are accrued by the private sector, rather than when they are collected by the Government. The principal timing adjustments for expenditures are: (a) Federal purchases are measured, insofar as is possible, in terms of the delivery of goods and services to the Government, whereas cash payments for these deliveries may precede or follow; and (b) interest on savings bonds and Treasury bills is treated as an expenditure in the Federal sector account when the interest is accrued, rather than when it is actually paid out in cash.

6. *Miscellaneous adjustments.*—This category consists primarily of the net expenditures of foreign currency. Cash budget transactions involve only dollar outlays; in the Federal sector account net foreign currency spending is treated as if it were a cash outlay. Other adjustments involve a few minor exclusions and imputations to cash receipts and expenditures.

Special Analysis B

PUBLIC ENTERPRISES, TRUST FUNDS, AND GROSS EXPENDITURES OF THE GOVERNMENT

This analysis presents selected information on the financing of public enterprise funds and the trust funds. It also covers certain receipts and reimbursements from outside the Treasury to general fund appropriations and other accounts which are netted in the administrative budget expenditures, and it indicates the magnitude of total expenditures gross of such netting. Additional tables in this special analysis relating to borrowing and investments in U.S. securities are an integral part of the computation of the changes in public debt in table 11 of part 2 of the budget.

PUBLIC ENTERPRISE FUNDS

The public enterprise funds are federally owned funds which carry on a cycle of operations, primarily with the public, organized usually on a business-type basis. Some of them are incorporated enterprises; others are unincorporated. Their expenditures have been included, on a net basis, in the administrative budget for many years. The general fund usually supplies them with capital; the provision of such capital, its return, and any dividends given to the general fund are not counted in the budget totals as expenditures or receipts.

Expenditures and receipts.—Gross expenditures of public enterprise funds are estimated to be $22.9 billion in 1967, and their receipts will be $21.5 billion (table B–1), resulting in net expenditures of $1.4 billion which are included in the administrative budget totals. The Commodity Credit Corporation and the postal fund together account for slightly more than half of the expenditures. The figures for both 1966 and 1967 take account of both existing and proposed legislation.

The expenditures in table B–1 include certain interfund payments to the general fund, principally for interest (see note at end of table 14). The receipts shown in table B–1 are generally from the public; but they include some transactions from within the Government—notably, the sales of Commodity Credit Corporation inventories and services to appropriations for special activities, accounting for $1.8 billion of the Commodity Credit Corporation receipts shown for 1967. The sales of Tennessee Valley Authority power to Government agencies, payments by all agencies to the Post Office for postal services, and interest paid to certain funds on their investments are other examples of such intragovernmental receipts included in table B–1.

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Table B-1. GROSS EXPENDITURES AND APPLICABLE RECEIPTS OF PUBLIC ENTERPRISE FUNDS (in millions of dollars)

Description	Gross expenditures			Applicable receipts		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
Funds appropriated to the President:						
Economic assistance	1,000	1,011	1,016	51	61	72
Other	145	105	121	68	273	233
Department of Agriculture:						
Commodity Credit Corporation	7,084	6,716	5,954	[1] 5,179	[1] 4,259	[1] 3,889
Farmers Home Administration	870	967	1,073	630	941	[2] 1,706
Rural Electrification Administration (proposed legislation)	-------	189	196	-------	189	196
Other	26	40	[3] 115	25	37	[3] 109
Department of Commerce	68	164	161	15	111	105
Department of Defense:						
Military	13	13	15	16	15	16
Civil (Panama Canal Company)	123	134	133	120	133	135
Department of Health, Education, and Welfare	7	8	9	8	8	9
Department of Housing and Urban Development:						
College housing loan fund	313	336	400	92	96	[4] 912
Urban renewal fund	560	597	657	236	235	244
Federal National Mortgage Association	897	1,314	[5] 1,524	1,446	2,016	[5] 2,242
Federal Housing Administration	859	885	851	975	770	959
Public Housing Administration	790	892	1,084	560	642	813
Other	127	156	229	29	37	[6] 131
Department of the Interior:						
Existing legislation	147	146	133	55	63	62
Proposed legislation	-------	167	219	-------	139	146
Department of Labor	197	223	283	199	225	287
Post Office Department	5,467	5,608	5,834	4,663	4,730	5,080
Treasury Department	1	1	1	1	1	1
General Services Administration	*	*	*	*	*	*
Veterans Administration	613	607	592	734	1,425	920
Other independent offices:						
Export-Import Bank of Washington	804	1,376	1,281	1,161	1,908	1,590
Federal Savings and Loan Insurance Corporation	113	40	*	318	302	351
Small Business Administration	500	608	[7] 574	264	[7] 659	[7] 906
Tennessee Valley Authority	371	413	455	323	356	371
Other	32	34	32	47	43	40
Total	21,128	22,750	22,944	17,214	19,672	21,524
Receipts from the public	-------	-------	-------	(14,297)	(16,776)	(18,714)
Receipts from other accounts	-------	-------	-------	(2,917)	(2,896)	(2,810)

*Less than one-half million dollars.

[1] Includes advances from foreign assistance and special export programs of $2,492 million in 1965, $1,686 million in 1966, and $1,690 million in 1967.

[2] Includes $549 million of receipts from sale of certificates of participation under proposed legislation.

[3] Includes gross expenditures of $71 million and applicable receipts of $66 million under proposed legislation to establish a revolving fund for consumer protective marketing and regulatory programs.

[4] Includes $801 million of receipts from sales of participation in pooled loans under proposed legislation.

[5] Includes $383 million of receipts under proposed legislation for participation sales for FNMA. Also includes gross expenditures of $88 million and receipts of $342 million in 1967 under proposed legislation authorizing FNMA to sell participations in mortgages and other obligations of other agencies.

[6] Includes receipts of $78 million from sale of participations under proposed legislation for public facility loans.

[7] Includes gross expenditures of $216,525 thousand in 1967 and receipts of $350,000 thousand in 1966 and $599,817 thousand in 1967 under proposed legislation to sell participation certificates.

Capital and borrowing.—Capital requirements of the public enterprise funds are usually supplied through new obligational authority (either appropriations or some other form of NOA) from the general fund. While most public enterprise funds are operated to be self-sustaining over a period of years, the largest—the Commodity Credit Corporation—has incurred substantial losses in most years. Appropriations have been made regularly to make up for the loss in this fund, the postal deficit, and other losses in a few smaller funds. Contract authorizations have also been provided for the Commodity Credit Corporation and for the Urban Renewal Fund of the Department of Housing and Urban Development. Table B–2 reflects all such new obligational authority.

Writeoffs shown here are primarily the return of capital or transfer of dividends to the general fund of the Treasury; they include a few cases of lapses of obligational authority.

The effect of these capital transactions, together with expenditures and receipts, upon the public enterprise fund group may be summarized as follows (in millions of dollars):

	1965	*1966*	*1967*
Balances, start of year:			
Cash and securities	8,301	8,675	11,515
Undrawn authorizations	25,297	26,280	27,235
Adjustments from other funds, net	148	------	------
New obligational authority	5,962	7,921	6,053
Restoration of undrawn authorization	22	------	------
Transfers from other funds	19	165	------
Applicable receipts	17,214	19,672	21,524
Total available	56,964	62,713	66,327
Gross expenditures	21,128	22,750	22,944
Transfers to other funds	14	8	16
Writeoffs of authority	867	1,205	483
Balances, end of year:			
Cash and securities	8,675	11,515	14,240
Undrawn authorizations	26,280	27,235	28,643
Total application and balances	56,964	62,713	66,327

Where the new obligational authority consists of authorizations to expend debt receipts or appropriations to provide capital, rather than to make up deficits or finance losses, it is customary for the amounts thereof to become interest bearing when used or when credited to the fund.

Upon the creation of new revolving funds, to finance programs previously financed otherwise, capital may also be provided by the transfer of assets, including appropriation balances, into the new fund. Liabilities and obligations are taken over, also. This budget proposes the conversion of several programs to a revolving fund basis, among them the three power administrations in the Department of the Interior.

Minor adjustments in capital occasionally include other transfers to or from appropriations when authorized by law, and the transfer of real or personal property into or out of a fund.

Table B-2. **NEW OBLIGATIONAL AUTHORITY AND WRITEOFFS OF PUBLIC ENTERPRISE FUNDS** (in millions of dollars)

Description	New obligational authority			Writeoffs (including capital transfers)		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
Funds appropriated to the President:						
Economic assistance	1,199	1,053	1,121	24	32	32
Other	24	[1] 33	26			
Department of Agriculture:						
Commodity Credit Corporation	[2] 1,932	[2] 3,568	[2] 2,528	*	*	
Farmers Home Administration	[3] 162	102				
Other (proposed legislation)		20				
Department of Commerce	60	105	85	[4] 6	303	2
Department of Defense—Military						([5])
Department of Health, Education, and Welfare		*	3			
Department of Housing and Urban Development:						
College housing loan fund	300	300	([6])			
Urban renewal fund	750	689	741	([7])		
Federal National Mortgage Association		100	([8])	324	657	242
Public Housing Administration	225	264	280	1	*	*
Other	114	242	212	1	4	12
Department of the Interior:						
Existing legislation	72	63	65	2	7	1
Proposed legislation		[9] 82	93		24	25
Department of Labor				[10] 1	*	
Post Office Department	781	930	836	17	7	
Treasury Department				250	*	*
General Services Administration				1	*	*
Veterans Administration	150	*		135	[11] 61	[11] 60
Other independent offices:						
Export-Import Bank of Washington				50	50	50
Small Business Administration [12]	145	310				
Tennessee Valley Authority	48	59	64	53	59	58
Other				*	*	*
Total	5,962	7,921	6,053	867	1,205	483

* Less than one-half million dollars.

[1] Excludes transfer of $74 million from the military assistance appropriation to the Foreign military sales fund.

[2] Excludes increase or decrease in advances from special programs, net of research expenditures reported elsewhere, amounting to $18,850 thousand in 1965, −$1,433 thousand in 1966, and −$7 million in 1967.

[3] Excludes restoration of undrawn authorizations to spend public debt receipts of $22,185 thousand.

[4] Excludes adjustments of $13,406 thousand in expired appropriation accounts, resulting in a reduction of capital assumed at inception of the Economic development revolving fund.

[5] Excludes unobligated balance of $1 million transferred to "Operations and maintenance, civil defense" (annual appropriation act).

[6] Includes reduction of $300 million in new obligational authority (authorization to spend public debt receipts) under proposed legislation.

[7] Excludes unobligated balance of $719 thousand and obligated balance of $17,058 thousand transferred to Urban mass transportation fund under "Other."

[8] Includes reduction of $450 million in new obligational authority (authorization to spend public debt receipts) under proposed legislation for participation sales.

[9] Excludes unobligated balances transferred from general fund accounts of $772 thousand to Bonneville Power Administration, and $3,586 thousand to Southwestern Power Administration. Also excludes obligated balances estimated to be assumed at inception of the funds as follows: $89 thousand for Southeastern Power Administration, $2,412 thousand for Southwestern Power Administration, and $84,276 thousand for Bonneville Power Administration.

[10] Excludes unobligated balance of $692 thousand transferred to "Salaries and expenses, Mexican farm labor program."

[11] Excludes unobligated balances transferred to Veterans insurance and indemnities appropriation of $7 million in 1966 and $8 million in 1967.

[12] Estimates for 1966 and 1967 include reductions under proposed legislation. It is estimated that $292 million of program obligations will be financed by such legislation.

Balances available.—The balances of public enterprise funds are shown in table B–3. They are there divided between the balances which are accounted for as assets of the funds, and the undrawn authorizations to obtain capital from the Treasury, to borrow, or (in two cases) to contract in excess of their cash availability.

Table B–3. **BALANCES OF PUBLIC ENTERPRISE FUNDS** (in millions of dollars)

Description	Cash balances in Treasury and U.S. securities as of June 30			Undrawn authorizations as of June 30		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
Funds appropriated to the President:						
Economic assistance	3,094	3,166	3,310	199	199	199
Other	9	183	173	44	144	292
Department of Agriculture:						
Commodity Credit Corporation	[1] 54	56	52	[2] 2,418	[2] 3,526	[2] 3,985
Farmers Home Administration	115	306	[3] 851	132	18	106
Other	41	[4] 58	[4] 52			
Department of Commerce	129	178	205	300		
Department of Defense—Military	19	21	21			
Department of Defense—Civil (Panama Canal Company)	6	5	7	10	10	10
Department of Health, Education, and Welfare	3	4	6			
Department of Housing and Urban Development:						
College housing loans	79	79	79	892	951	[5] 1,463
Urban renewal fund	393	1,145	1,473	3,855	3,430	3,430
Federal National Mortgage Association	37	153	[6] 457	4,779	4,807	[6] 4,979
Federal Housing Administration	987	678	702	223	415	499
Public Housing Administration	89	103	112	1,500	1,500	1,500
Other	301	446	496	956	930	[7] 983
Department of the Interior:						
Existing legislation	48	34	31	16	5	
Proposed legislation		120	115			
Department of Labor	303	305	309			
Post Office Department	501	545	627			
Treasury Department	*	*	*			
General Services Administration	*	*	*			
Veterans Administration	700	1,509	1,828	266	205	145
Other independent offices:						
Export-Import Bank of Washington	3	3	230	5,487	5,968	6,000
Loans to Federal Deposit Insurance Corporation				3,000	3,000	3,000
Loans to Federal home loan banks				1,000	1,000	1,000
Federal Savings and Loan Insurance Corporation	1,321	1,583	1,934	750	750	750
Small Business Administration	267	[8] 628	[8] 960			
Tennessee Valley Authority	34	52	49	430	355	280
Other	142	153	161	22	21	21
Total	8,675	11,515	14,240	26,280	27,235	28,643

*Less than one-half million dollars.

[1] Includes adjustment of −$12,175 thousand for unexpended balances of funds transferred from the appropriation "Removal of surplus agricultural commodities (sec. 32)."

[2] Includes unfunded balance of contract authority of $1,029,019 thousand in 1965, $1,773,963 thousand in 1966, and $708,281 thousand in 1967.

[3] Includes cash of $549 million from sale of certificates of participation under proposed legislation.

[4] Includes cash of $20,360 thousand in 1966, and $15,234 thousand in 1967 under proposed legislation to establish a revolving fund for consumer protective, marketing, and regulatory programs.

[5] Includes $501 million from sale of certificates of participation under proposed legislation.

[6] Cash includes $252,993 thousand and undrawn authorizations include −$66,735 under proposed legislation to sell participations.

[7] Includes $77,700 thousand from sale of participations under proposed legislation for public facility loans.

[8] Includes the net effect on cash because of sale of participations under proposed legislation.

In most cases, a large part of the balances are obligated or reserved—to pay loan commitments, purchase and construction contracts, or other obligations entered into but on which the other party has not yet required or earned the money. The balances include inactive "standby" authority for loans to the Federal Deposit Insurance Corporation, the home loan banks, and the Federal Savings and Loan Insurance Corporation. Also included is an unused balance for the never-activated Federal Flood Indemnity Administration (HUD).

TRUST FUNDS

The trust funds are administered in a fiduciary capacity by the Government. They are not included in the administrative budget totals, and transactions between the general fund and the trust funds are conducted "at arm's length"—that is, payments between them are reported as expenditures and receipts of the funds involved.

Expenditures and receipts.—Trust fund expenditures are estimated to be $37.9 billion in 1967, with receipts of $41.6 billion, as shown in table B–4. The transactions of the Federal old-age and survivors insurance fund are somewhat more than half of the totals.

Table B–4. EXPENDITURES AND RECEIPTS OF TRUST FUNDS
(in millions of dollars)

Description	Expenditures			Receipts		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
Federal old-age and survivors insurance trust fund	15,962	18,848	19,877	16,417	17,502	21,113
Federal disability insurance trust fund	1,498	1,940	1,942	1,241	1,532	2,110
Federal hospital insurance trust fund		53	2,426		856	2,731
Federal supplementary medical insurance trust fund			899			1,104
Unemployment trust fund	3,130	2,890	2,947	4,132	3,912	3,923
Railroad retirement account	1,185	1,240	1,274	1,342	1,412	1,584
Federal employees funds	1,410	1,617	1,744	2,674	2,780	2,861
Highway trust fund	4,026	3,970	4,080	3,670	3,864	4,381
Veterans life insurance funds	616	543	672	711	721	723
Federal national mortgage association trust funds	91	1,400	500			
Other trust funds	1,189	1,753	1,767	1,500	1,755	1,844
Deposit funds	−210	−166	−48			
Interfund transactions (table 14, note)	−638	−793	−767	−638	−795	−767
Subtotal	28,258	33,293	37,313	31,047	33,539	41,608
Government-sponsored enterprises	1,379	493	569			
Total	29,637	33,786	37,882	31,047	33,539	41,608

The trust funds include a small group of trust revolving funds (see table B–5) which, like the public enterprise funds, are stated on a net expenditure basis in figures used elsewhere in the budget. The Secondary market operations fund of the Federal National Mortgage Association is the most significant in this group.

Table B-5. **TRANSACTIONS OF TRUST REVOLVING FUNDS** (in millions of dollars)

Description	Gross expenditures			Applicable receipts		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
Civil Service Commission (employees' life insurance and health benefits)	651	712	741	688	719	799
Federal National Mortgage Association	459	1,760	1,314	368	360	814
All other trust revolving funds	220	197	101	389	42	38
Total trust revolving funds	1,330	2,668	2,156	1,444	1,121	1,651
Receipts from the public				(797)	(892)	(1,053)
Receipts from other accounts				(647)	(229)	(598)

Treasury financing.—The principal financing provided by the general fund to the trust funds is interest paid on public debt investments of the trust funds. The Government also contributes, as employer, to the employee retirement funds, and under recent legislation, it contributes to the supplementary medical insurance and hospital insurance funds. Such payments are shown in table A-3 in the special analysis, "Three Measures of Federal Financial Transactions."

Balances available.—Trust fund balances with the Treasury and U.S. securities are shown in table B-6. These balances are reserved to carry out the purposes of the trust.

Table B-6. **TRUST FUND BALANCES** (in millions of dollars)

Description	As of June 30			
	1964 actual	1965 actual	1966 estimate	1967 estimate
Federal old-age and survivors insurance trust fund	19,726	20,180	18,835	20,071
Federal disability insurance trust fund	2,264	2,007	1,599	1,768
Federal hospital insurance trust fund			803	1,108
Federal supplementary medical insurance trust fund				205
Unemployment trust fund	6,859	7,861	8,882	9,858
Railroad retirement account	3,859	4,016	4,188	4,498
Federal employees funds	14,844	16,108	17,271	18,388
Highway trust fund	641	285	179	480
Veterans life insurance funds	6,779	6,874	7,053	7,104
Federal National Mortgage Association trust fund	13	20	8	8
All other trust funds	1,420	1,732	1,731	1,807
Deposit funds	2,334	2,544	2,710	2,759
Total	58,739	61,627	63,259	68,054
Balances available on an authorization basis (table 10)	70,377	73,501	74,392	78,861
Unappropriated receipts:				
Available as needed on an indefinite basis	56	36	25	25
Available for appropriation by Congress:				
District of Columbia	−118	−133	−116	−117
United States Soldiers' Home	105	107	108	105
Highway trust fund	438	209	175	393
Unfinanced contract authorization	−10,041	−9,982	−10,404	−10,694
Undrawn authorizations to borrow	−2,077	−2,112	−919	−519
Balances available on a cash basis	58,739	61,627	63,259	68,054

The trust fund balances are affected by the transactions as follows (in millions of dollars):

	1965	1966	1967
Balances, start of year	58,739	61,627	63,259
Receipts	31,047	33,539	41,608
Borrowing from the public, net	99	1,387	500
Total available	89,885	96,553	105,367
Expenditures (excluding Government-sponsored enterprises)	28,258	33,293	37,313
Balances, end of year	61,627	63,259	68,054
Total application and balances	89,885	96,553	105,367

GOVERNMENT-SPONSORED ENTERPRISES AND ANNEXED BUDGETS

This budget includes with the trust fund expenditures certain transactions of five Government-sponsored enterprises, stated on a net basis. The transactions thus reported relate to investments in U.S. securities and debt issuance for which the Treasury acts as fiscal agent; amounts equal to the net debt issuance or net disinvestments of such enterprises are used as an estimate of net expenditures.

The budget appendix includes detailed budget statements with respect to seven self-supporting activities. All of the seven are Federal activities. Three of the Government-sponsored enterprises are in the annexed budget group. The other two—the Federal land banks and the Federal home loan banks—are privately owned and have been omitted from annexed budget coverage.

The principal volume of business in this group consists of loans made by two mixed-ownership banking systems. The Federal intermediate credit banks—in which the Government interest is still somewhat over half of the capital—are expected to continue a loan business of over $5 billion a year. The Banks for cooperatives—in which the Government interest has declined to less than a third of the capital—will make loans of about $1.5 billion a year. Repayments of loans to these enterprises are nearly as large.

Estimates for the Exchange Stabilization Fund of the Treasury for 1966 and 1967 are not available, except for administrative expenses. Therefore, this title shows only the actual 1965 expenditures and receipts of that fund. Table B–7 summarizes the expenditures and receipts of these annexed budgets.

Table B–7. EXPENDITURES AND APPLICABLE RECEIPTS OF ACTIVITIES COVERED BY ANNEXED BUDGETS (in millions of dollars)

Description	Gross expenditures			Applicable receipts		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
Milk Marketing Administration	13	13	13	13	13	13
Comptroller of the Currency	17	19	20	19	20	21
Exchange Stabilization Fund	113	(1)	(1)	54	(1)	(1)
Board of Governors of Federal Reserve System	9	9	10	9	9	10
Banks for Cooperatives	1,371	1,465	1,609	1,188	1,391	1,524
Federal Intermediate Credit Banks	5,356	5,451	5,888	5,194	5,252	5,676
Federal Deposit Insurance Corporation	23	3	6	204	222	231
Total	6,903	6,960	7,546	6,680	6,906	7,475

[1] Not available.

OTHER EXCLUSIONS FROM ADMINISTRATIVE BUDGET RECEIPTS

The law permits certain collections to be credited as reimbursements to general fund appropriations. Such collections from outside the administrative budget accounts are identified in the detailed schedules of the budget appendix as reimbursements from "non-Federal sources," distinguishing them from reimbursements within the administrative budget sector. The intragovernmental revolving and management funds also have some receipts from outside the Government. Table B–8 reflects the estimated amount of such collections which are credited to appropriations or to intragovernmental funds.

Most of the collections reported here are for the sales of supplies and materials from the Department of Defense stock funds to authorized outside parties. Two Veterans Administration life insurance trust funds receive credits from optional income settlements and other similar adjustments, also reflected in this table.

Table B–8. **REIMBURSEMENTS FROM NONFEDERAL SOURCES TO APPROPRIATIONS AND INTRAGOVERNMENTAL FUNDS** (in millions of dollars)

Description	1965 actual	1966 estimate	1967 estimate
Funds appropriated to the President	8	5	5
Department of Agriculture	23	25	25
Department of Commerce	2	2	2
Department of Defense:			
Military	1,618	1,709	1,757
Civil	11	11	11
Department of Health, Education, and Welfare	33	35	138
Department of the Interior	59	60	60
Department of Justice	3	3	4
Department of State	2	3	2
Treasury Department	33	35	33
Atomic Energy Commission	77	109	94
Federal Aviation Agency	3	3	3
General Services Administration	4	10	10
National Aeronautics and Space Administration	7	10	12
Veterans Administration	2	2	2
Other independent agencies	*	2	9
Trust funds	184	186	188
Total	2,070	2,209	2,353

*Less than one-half million dollars.

GROSS EXPENDITURES OF THE GOVERNMENT

Table B–9 gives gross expenditures, on a checks-issued basis for all Government-administered funds, except deposit funds; the latter are excluded since they are for the most part suspense accounts.

The increase of nearly $30 billion from 1965 to 1967 is largely for two functions—about $11 billion for national defense, in part due to the buildup relating to Vietnam; and slightly over $11 billion for health, labor, and welfare, mostly due to health service for the aged and the increased expenditures from social economic trust funds.

Table B-9. **GROSS EXPENDITURES OF GOVERNMENT-ADMINISTERED FUNDS** (in millions of dollars)

Function	1965 actual	1966 estimate	1967 estimate
National defense	52,554	59,374	63,446
International affairs and finance	5,041	5,229	5,589
Space research and technology	5,100	5,610	5,313
Agriculture and agricultural resources	16,659	16,481	16,838
Natural resources	3,143	3,408	3,588
Commerce and transportation	12,286	12,535	12,745
Housing and community development	2,641	4,639	3,983
Health, labor, and welfare	27,721	33,577	38,851
Education	1,601	2,372	3,799
Veterans benefits and services	6,982	7,259	7,488
Interest	9,665	10,281	10,884
General government	2,389	2,468	2,577
Undistributed—special allowances	----------	75	350
Total	145,784	163,310	175,451
The total is derived as follows:			
Administrative budget expenditures (table 14)	96,507	106,428	112,847
Trust fund expenditures (tables 14 and B-4):			
Total of such transactions	29,637	33,786	37,882
Elimination of deposit funds included in total	210	166	48
Intragovernmental transactions (table A-3):			
Trust fund payments to the administrative budget	−194	−114	−105
Administrative budget payments to trust funds	−3,063	−3,301	−4,318
Receipts from the public netted in conventional totals:			
Receipts of public enterprise funds (table B-1)	14,297	16,776	18,714
Receipts of trust revolving funds (table B-5)	797	892	1,053
Reimbursements to appropriations and intragovernmental funds (table B-8)	2,070	2,209	2,353
Substitution of annexed budgets:			
Gross expenditures of annexed budgets (table B-7)	6,903	6,960	7,546
Elimination of net expenditures of Government-sponsored enterprises (included in table B-4)	−1,379	−493	−569
Total	145,784	163,310	175,451

BORROWING OTHER THAN FROM THE GENERAL FUND

The Tennessee Valley Authority has authority to borrow $750 million from the public. The Federal Housing Administration has an indefinite authorization to issue short-term debentures in connection with its settlements. The Federal National Mortgage Association trust revolving fund has authority to issue its own debt instruments in an amount equal to 10 times the aggregate of its capital and retained earnings. A few funds in liquidation are retiring earlier debt issuances. Government-sponsored enterprises also have their own borrowing authority. Some Government enterprise debt is guaranteed by the Treasury; some is not formally guaranteed. Borrowing and repayments pursuant to these authorities are shown in table B-10.

A small portion of such borrowing is from other funds such as the sale of Federal Housing Administration debentures to Federal National Mortgage Association; the larger part is from the public and in effect reduces the Treasury borrowing from the public (see table 11 of part 2).

Table B–10. **DEBT ISSUANCES BY GOVERNMENT ENTERPRISES (OTHER THAN BORROWING FROM THE GENERAL FUND)** (in millions of dollars)

Description	1965 actual	1966 estimate	1967 estimate	End 1967, estimate outstanding
Borrowing from the public:				
By public enterprise funds:				
Federal Housing Administration [1]	−203	−153	−143	134
Federal Farm Mortgage Corporation [1]	*	*	*	*
Home Owners Loan Corporation [1]	*	*	*	*
Tennessee Valley Authority	45	70	100	395
By trust funds:				
District of Columbia Armory Board [1]				20
Federal National Mortgage Association	99	1,387	500	3,685
By Government-sponsored enterprises:				
Banks for cooperatives	185	52	72	807
Federal intermediate credit banks	131	127	182	2,755
Federal land banks	561	326	301	4,132
Federal home loan banks	547	246	303	5,299
Total, borrowing from the public	1,366	2,055	1,315	17,228
Borrowing from other funds:				
By public enterprise funds:				
Federal Housing Administration	−20	−39	−11	89
Federal National Mortgage Association	−1			
By Government-sponsored enterprise funds:				
Banks for cooperatives	4	18	8	30
Federal intermediate credit banks	16	74	30	121
Federal land banks	−2	−26	−1	1
Federal home loan banks	9	−3	−3	3
Total, borrowing from other funds	6	25	23	244
Total, debt issuances by Government enterprises	1,372	2,079	1,338	17,472

Note.—Negative figures represent net retirement of debt.

*Less than one-half million dollars.
[1] Guaranteed by the Treasury (except for a small part of the HOLC obligations).

INVESTMENTS IN U.S. SECURITIES

A few public enterprise funds, a substantial number of trust funds and the Government-sponsored enterprises may purchase Treasury bonds or notes for investments. In addition, several funds acquire some of the debt issued by Government enterprises, and the Federal Housing Administration acquires some of its own debentures as investments. These investment transactions in securities issued by the Government or its agencies are shown in table B–11.

The public debt bought by the various funds enters into the computation of the debt as shown in table 11 of part 2.

Table B-11. **PURCHASES OF U.S. SECURITIES BY GOVERNMENT-ADMINISTERED FUNDS** (in millions of dollars)

Description	Transactions			End 1967, estimate outstanding
	1965 actual	1966 estimate	1967 estimate	
Investment in Treasury issuances (public debt):				
By public enterprise funds:				
Housing and Urban Development:				
Liquidating programs	----------	3	----------	3
Federal Housing Administration	−195	−120	3	469
Public Housing Administration	−17	5	----------	12
Federal National Mortgage Association	6	31	13	50
Federal Savings and Loan Insurance Coporation	207	261	351	1,925
Small Business Administration	----------	5	----------	5
Veterans Administration	29	28	38	218
Maritime Administration	*	*	2	7
By trust funds:				
Federal old-age and survivors insurance trust fund	461	−1,443	1,200	18,523
Federal disability insurance trust fund	−263	−432	164	1,608
Federal supplementary medical insurance trust fund	----------	----------	174	174
Federal hospital insurance trust fund	----------	790	296	1,086
Unemployment trust fund	967	1,003	976	9,764
Railroad retirement account	149	174	307	4,396
Federal employees' funds	1,251	1,156	1,106	18,236
Highway trust fund	−344	−105	−90	70
Veterans life insurance funds	103	204	51	7,098
District of Columbia municipal government funds	−9	2	3	59
All other	−8	29	4	60
By Government-sponsored enterprises:				
Federal Deposit Insurance Corporation	180	220	223	3,560
Banks for cooperatives	*	1	----------	45
Federal intermediate credit banks	−2	*	----------	110
Federal land banks	−2	----------	----------	99
Federal home loan banks	−104	101	100	1,900
By Exchange stabilization fund	−60	----------	----------	257
Total, investments in Treasury issuances	2,349	1,912	4,921	69,734
Investments in issuances of other funds:				
By public enterprise funds:				
Federal Housing Administration	2	−25	−11	90
Federal National Mortgage Association	−4	85	38	150
By trust funds:				
Federal National Mortgage Association	1	−6	----------	----------
Veterans Administration	*	−25	----------	----------
District of Columbia municipal government funds	7	−4	−4	4
Total, investments in issuances of other funds	6	25	23	244
Total, investments in U.S. securities	2,355	1,936	4,944	69,978

Note.—Negative figures represent net reduction of investments.

*Less than one-half million dollars.

Special Analysis C

CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH

Following 3 successive years of relatively stable Federal civilian employment, the buildup of military support for Vietnam operations, coupled with the conversion of military to civilian positions in the Department of Defense and rising postal and other workloads, will cause Federal employment to rise in fiscal years 1966 and 1967. Every agency head has been directed to keep the work force at minimum levels by eliminating functions, consolidating operations, closing unnecessary offices and installations, and abolishing vacancies. In order for this program to achieve maximum results, primary attention is being given to controlling employment in full-time permanent positions.

FULL-TIME PERMANENT CIVILIAN EMPLOYMENT

Vigorous action by agency managers to carry out the frugality and manpower control directives of the President has resulted in maintaining the same level of permanent full-time civilian employment for the past 3 years—approximately 2,230,000.

The 1967 budget estimates that by June 1966 civilian employment in full-time permanent positions will be 2,365,000. Since the 1966 budget was originally submitted last January, two major factors have led to an increase in end-of-year civilian employment estimates:

First, the increased Defense and foreign assistance activities associated with the heightened conflict in Vietnam, requiring a rise of 79 thousand civilian employees;

Second, a series of management improvements which reduce Government costs—chiefly a reduction in Post Office overtime and the conversion of a number of Defense Department positions from military to civilian occupancy. These cost reduction actions will save money but require, in 1966, the substitution of 66 thousand civilian employees for other higher-cost employment services.

Aside from employment increases for these two purposes, civilian employment at the end of June 1966 is estimated to be 20 thousand lower than projected in last January's budget.

Approximately 56% of all Federal civilian full-time permanent employment for June 1967, other than for Defense military activities, will be in three agencies: Post Office, Veterans Administration, and Health, Education, and Welfare. Another 22% is found in Agriculture, Treasury, Interior, Commerce, and the General Services Administration. The remaining 22% is accounted for by more than 60 smaller agencies of the Government. Estimated civilian employment for the military activities of the Department of Defense, includ-

Table C-1. **SUMMARY OF FULL-TIME PERMANENT EMPLOYMENT IN THE EXECUTIVE BRANCH**

Agency	As of June				Increase 1967 over 1966
	1965 actual	1966 estimate		1967 estimate	
		In 1966 budget	Current		
Post Office Department	461,211	458,134	481,250	500,000	18,750
Department of Health, Education, and Welfare	81,741	88,094	92,500	99,010	6,510
Veterans Administration	147,007	149,331	145,700	150,850	5,150
Department of the Interior	56,716	58,000	57,540	59,500	1,960
Department of Agriculture	80,103	82,214	81,070	82,850	1,780
Department of Commerce	29,162	30,400	30,360	31,840	1,480
Treasury Department	83,494	89,400	85,000	86,200	1,200
Department of Housing and Urban Development	13,427	14,458	14,300	15,350	1,050
General Services Administration	35,370	38,450	35,750	36,750	1,000
Agency for International Development	14,713	15,528	14,900	15,750	850
Employment in other civilian agencies	255,141	264,805	258,130	260,600	2,470
Allowance for contingencies		2,030	1,900	4,800	2,900
Subtotal	1,258,085	1,290,844	1,298,400	1,343,500	45,100
Department of Defense, Military and military assistance	974,668	950,287	1,067,000	1,073,000	6,000
Total	2,232,753	2,241,131	2,365,400	2,416,500	51,100

ing military assistance, is 44% of the total full-time permanent employment for June 1967.

The most significant changes for 1967 compared with 1966 are shown in table C-1. Of the total increase of 45,100 for the civilian activities of the Government, 18,750 or 42% is for the Post Office, and 6,510 or 14% is for the Department of Health, Education, and Welfare.

Most of the added Post Office employment is to reduce still further the large amount of overtime which many postal employees have often been working, in some cases making their total workweek as much as 70 hours. An estimated 4.5% increase in mail volume, offset by a continued advance in productivity, accounts for the remaining increase in postal employment.

Almost 60% of the 1967 increase in employment for the Department of Health, Education, and Welfare is attributable to recently enacted legislation for hospital insurance for the elderly, and aid to elementary, secondary, and higher education. The remaining 40% is principally for water pollution control, direct medical care in Public Health and Indian hospitals, and increased surveillance over dangerous drugs and other toxic substances. The Social Security Administration is achieving a productivity improvement of 2.5% per year, principally by automating the recomputation of benefits, with a saving of 1,742 man-years in fiscal year 1967. In addition—

• The increase in the Veterans Administration is principally to provide for the 82% rise in nursing home beds, the initiation and expansion of the use of new medical techniques in hospitals for veterans, and an improved quality of medical care for veterans.
• The growth in the Department of the Interior is chiefly to take care of education of Indians on Government reservations; support to the Office of Economic Opportunity for the Job Corps; new power facilities; the Northwest-Southwest intertie; and anticipated increase of about 7% in visitors to the national parks.
• The increase in the Department of Agriculture is mainly to provide for uncontrollable workload in meat and poultry inspections, expanded loan activities, and more visitors to the national forests; it also provides for support to the Office of Economic Opportunity, and for expansion of resource development projects.
• The increase in Treasury is primarily for rising workloads in Internal Revenue operations due to an increase in the number of tax returns of 1.3%, and the accelerated efforts in the Bureau of the Mint to expand coin production, which will result in an increase in the number of coins minted by 35% over 1966. Were it not for anticipated improvements in productivity a substantially larger number of employees would be required. The Bureau of Customs will handle a 5% increase in inspectional workload with a 1.6% increase in inspectors, an increase in productivity of 3.4%.
• Other increases are in the General Services Administration to meet greater workloads in the operation of additional public buildings, and supply support activities; in the Tennessee Valley Authority to provide for the operation of power units being completed and for construction for new water resource facilities; and in other agencies to meet requirements for expanded services.
• A decrease in employment for the Federal Aviation Agency will result from an increased productivity of 5% for airways facilities operation and maintenance and other economy measures.

The following summary breakdown of changes in civilian employment during 1967 indicates the major factors at work:

Cost reduction; conversion of military to civilian positions and reductions in Post Office overtime	31.1 thousand
Increase in Post Office workloads	7.8 thousand
Increases in major Great Society Programs—health, labor, education, housing and community development, economic opportunity program, and aid to the needy	8.7 thousand
Veterans Administration, for improved medical services	5.2 thousand
All other	−1.7 thousand

TOTAL FEDERAL PERSONNEL

Almost nine-tenths of executive branch civilian employment consists of permanent full-time employees. The remainder is made up of temporary, part-time, and intermittent workers needed for seasonal work and special assignments of short duration. In addition, the total of Federal Government personnel includes military as well as civilians. The grand total personnel of the executive branch was 5,183,000 in June 1965, and is estimated at 5,663,000 for June 1966, and 5,831,000 for June 1967. Employment of the legislative and judicial branches in June 1965 was about 32,000 in addition.

	As of June		
	1965 actual	*1966 estimate*	*1967 estimate*
Civilian employment in the executive branch:			
Permanent full time	2,232,753	2,365,400	2,416,500
Other than permanent full time	[1] 263,337	273,800	283,500
Military personnel:			
Department of Defense	2,653,142	2,987,343	3,093,109
Reimbursable details to other agencies	1,841	2,343	2,331
Treasury Department (Coast Guard)	31,776	34,153	35,336
Total executive branch personnel	5,182,849	5,663,039	5,830,776
Legislative and judicial personnel	31,851		
Total	5,214,700		

[1] Includes 25,860 appointments under the President's youth opportunity campaign.

GEOGRAPHICAL DISTRIBUTION OF CIVILIAN EMPLOYMENT

Table C–2 presents data on the geographical distribution of Federal employment. Most Federal employees—almost 83%—work in the various States. A little over 11% are located in the Washington, D.C., metropolitan area. An additional 6% are in foreign countries and in U.S. territories and possessions. Federal employment in foreign countries has decreased by 3,726 since 1960. This has benefited our balance-of-payments position, as well as reduced costs.

PERSONNEL COMPENSATION AND BENEFITS

Estimates of the Federal payroll and related costs are shown in table C–3. Direct compensation includes regular pay, and special pay for overtime, holiday, and standby time, differentials for night-work and oversea duty, flight and hazardous duty, etc. Related personnel benefits include the Government's share of Federal retirement and old-age, survivors, and disability insurance costs; employees' life insurance, health insurance and benefits, and similar payments; cost-of-living and quarters allowances; uniform allowances (when paid in cash); and, in the case of the military personnel, allowances for subsistence, reenlistment bonuses, and certain other cash payments.

Table C-2. **FEDERAL CIVILIAN EMPLOYMENT BY GEOGRAPHICAL LOCATION (as of June 1965)**

Location	Total [1]	Location	Total [1]
Washington, D.C., metropolitan area	[2] 280,019	Ohio	93,764
Alabama	61,915	Oklahoma	45,806
Alaska	14,006	Oregon	21,518
Arizona	22,049	Pennsylvania	131,687
Arkansas	15,327	Rhode Island	12,997
California	251,375	South Carolina	24,596
Colorado	36,605	South Dakota	9,417
Connecticut	15,596	Tennessee	37,457
Delaware	3,584	Texas	124,386
Florida	55,044	Utah	29,101
Georgia	62,363	Vermont	3,157
Hawaii	23,044	Virginia [3]	70,736
Idaho	7,151	Washington	47,405
Illinois	101,315	West Virginia	11,725
Indiana	34,832	Wisconsin	22,410
Iowa	17,416	Wyoming	5,088
Kansas	20,470	Total United States	2,373,579
Kentucky	28,377		
Louisiana	24,846	Outside United States:	
Maine	14,847	Territories and possessions	33,309
Maryland [3]	51,194	Foreign countries	[4] 121,053
Massachusetts	61,129		
Michigan	45,780	Total outside United States	154,362
Minnesota	26,866		
Mississippi	18,172		
Missouri	55,339	Total employment	2,527,941
Montana	9,781	Legislative and judicial	−31,851
Nebraska	15,593		
Nevada	7,133	Total employment, executive branch	2,496,090
New Hampshire	4,437	Other than full-time permanent	−263,337
New Jersey	56,033		
New Mexico	24,534		
New York	177,187	Total, full-time permanent employment, executive branch	2,232,753
North Carolina	31,688		
North Dakota	7,282		

[1] Distribution by State is partially estimated.
[2] Includes 255,199 employees of the executive branch and 24,820 of the legislative and judicial branches.
[3] Excludes employment within the Washington, D.C., metropolitan area, which includes the District of Columbia, and the adjacent counties and cities in Maryland and Virginia.
[4] Includes 105,519 foreign nationals classified as Federal employees; excludes 130,451 foreign nationals working for Department of Defense under contract agreements, or other arrangements with foreign governments which provide for the furnishing of personal services.

The obligations to be incurred for civilian personnel compensation and benefits in 1967 are estimated at $21.2 billion.

Some of the personnel are employed by trust funds (such as old-age and survivors insurance) and some are employed by public enterprise funds (such as the Post Office). After deducting for the costs of such employees, the remaining personnel costs are $15.4 billion.

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Table C-3. **ESTIMATED PERSONNEL COMPENSATION AND BENEFITS**

[Fiscal years. In millions of dollars]

Description	1965	1966	1967
Total civilian personnel costs:			
Direct compensation	17,450	18,900	19,600
Personnel benefits	1,400	1,500	1,600
Total	18,850	20,400	21,200
Civilian personnel costs of trust funds:[1]			
Direct compensation	550	700	700
Personnel benefits	50	50	50
Total	600	750	750
Civilian personnel costs of public enterprise funds (with their own receipts):			
Direct compensation	4,200	4,500	4,700
Personnel benefits	300	350	400
Total	4,500	4,850	5,100
Remaining personnel costs (i.e., excluding trust and public enterprise funds):			
Direct compensation	12,700	13,700	14,200
Personnel benefits	1,050	1,100	1,150
Total	13,750	14,800	15,350
MEMORANDUM			
Total military personnel costs:[2]			
Direct compensation	8,800	10,000	10,900
Personnel benefits	2,750	3,000	3,200
Total	11,550	13,000	14,100

[1] Includes annexed budget agencies.
[2] Excludes Reserve components.

Government pay scales for "blue collar" workers have for many years been subject to administrative adjustment to correspond to pay for comparable work in private industry; as wages in private industry advanced, Federal compensation for such workers also increased.

Pay for most other Federal workers has been set by statute. In 1962, the Congress adopted the principle of comparability with private industry pay for the same work levels, and in pay scale changes effective in October 1962, January 1964, July 1964, and October 1965, significant progress has been made toward the achievement of comparability. The compensation figures reflect such changes, as well as changes in the number of employees.

Special efforts were made last year, and again in the preparation of this budget, to hold down unwarranted escalation in average grades and salaries. In 1965, for the first time in a long period, there was no Government-wide change in average grade of Classification Act employees. Average salaries showed only a slight advancement (apart from changes in pay scales), mostly due to within-grade salary advancements and reclassifications of new positions in certain agencies.

CHANGE IN POSITION STRUCTURE

Changes have taken place in the position structure as a result of changes in the character of the Government's workload and in the employee skills required to deal with it. For example, between 1954 and 1965, greater specialization and emphasis on research and development led to an increase of 53% in the number of engineers in the Federal service, and 83% in the number of physical scientists. During this period, the Government's need for professional medical personnel rose 31% and for biological scientists, 46%. At the same time, the expanded efforts to reduce employment and to increase productivity—in many cases by shifting from manual to semiautomatic or automatic processing methods—decreased the need for unskilled employees.

A recent analysis made by the Civil Service Commission shows the following changes in position structure of Classification Act employees between 1961 and 1965:

- Reduction in percentage of clerical and aide jobs (GS–1 to GS–6) from 53.2% to 47.3% of total employment.
- Increase in percentage of professional, technical, and administrative jobs (GS–7 to GS–15) from 46.7% to 52.4% of total employment.
- Increase in GS–16 to GS–18 jobs from 0.1 to 0.3% of total employment.

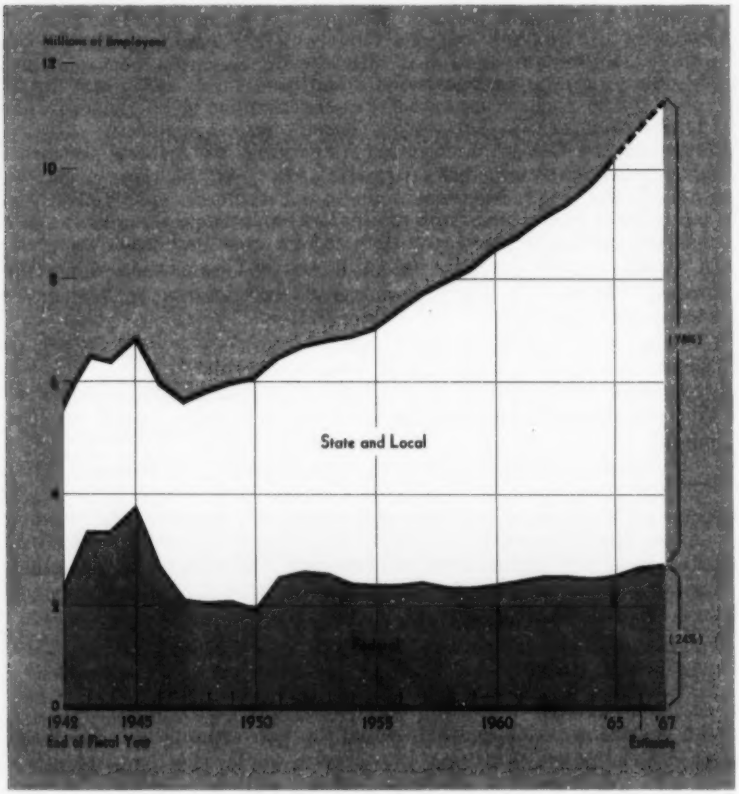
During this period many new programs were initiated and ongoing programs were reoriented in scope and complexity with a resulting greater need for higher level professional and technical personnel. Continued vigilance is being exercised to assure that Federal agencies do not adopt topheavy organization and position structures.

TRENDS IN NUMBERS OF EMPLOYEES AND WORKLOAD

With the continued growth in population, in national income, and in economic activity generally, there has been a concomitant growth in the volume of public services which the Government is called upon to render. In the fiscal year 1967, for example, the participants in the food stamp program will rise 44%; the square nautical miles surveyed by the Coast and Geodetic Survey will increase 19%; the number of passport applications will rise 10%; coins minted will increase 35%; subsidized school lunches served will be up 6%; takeoffs and landings at airports served by Federal towers will increase 10%; establishments with Federal meat inspectors will rise 5%; the number of pieces of mail deposited in the post office will be up 4%; and customs inspections of packages will rise 4%. The staffing for new programs such as hospital insurance for the elderly, and increased demands for services can be accommodated only by increased productivity or additional workers, or a combination of both.

The continuing concerted effort to utilize Federal employees more effectively, to improve work methods and organization, and to utilize new techniques to achieve improvements in productivity have resulted in holding Federal employment to much lower levels than otherwise would have been possible.

Government Civilian Employment



Over the past decade, in fact, total Federal civilian employment (including temporary and part time) has not risen in step with related factors. For example:

- In 1955, there were 14.3 Federal civilian employees for every 1,000 people in the Nation; in 1965, this number was reduced to 12.8. Excluding the buildup of civilian support for Vietnam operations by the Department of Defense, Federal employment per 1,000 population is expected to remain at approximately the 1965 level in both 1966 and 1967.
- In 1955, one out of every three public civilian employees worked for the Federal Government, and the other two for State or local government units. In 1965, this ratio was one out of four, and it will continue to drop.

A historical comparison of total Federal civilian employment in the executive branch (including temporary and part-time employment) with employment by State and local governments and U.S. population for 1942–67 is shown in table C–4.

Table C–4. GOVERNMENT EMPLOYMENT AND POPULATION, 1942–67

Year	Government employment				Population	
	Federal executive branch[1] (thousands)	State and local governments (thousands)	All governmental units (thousands)	Federal as percent of all governmental units	Total United States (thousands)	Federal employment per 1,000 population
1942	2,272	3,310	5,582	40.7	135,361	16.8
1943	3,274	3,184	6,458	50.7	137,250	23.9
1944	3,304	3,092	6,396	51.7	138,916	23.8
1945	3,787	3,104	6,891	55.0	140,468	27.0
1946	2,666	3,305	5,971	44.6	141,936	18.8
1947	2,082	3,568	5,650	36.8	144,698	14.4
1948	2,044	3,776	5,820	35.1	147,208	13.9
1949	2,075	3,906	5,981	34.7	149,767	13.9
1950	1,934	4,078	6,012	32.2	152,271	12.7
1951	2,456	4,031	6,487	37.9	154,878	15.9
1952	2,574	4,134	6,708	38.4	157,553	16.3
1953	2,532	4,282	6,814	37.2	160,184	15.8
1954	2,382	4,552	6,934	34.4	163,026	14.6
1955	2,371	4,728	7,099	33.4	165,931	14.3
1956	2,372	5,064	7,436	31.9	168,903	14.0
1957	2,391	5,380	7,771	30.8	171,984	13.9
1958	2,355	5,630	7,985	29.5	174,882	13.5
1959	2,355	5,806	8,161	28.9	177,830	13.2
1960	[3] 2,371	6,073	8,444	28.1	180,684	13.1
1961	2,407	6,295	8,702	27.7	183,756	13.1
1962	2,485	6,533	9,018	27.6	186,656	13.3
1963	[3] 2,490	6,834	9,324	26.7	189,417	13.1
1964	[3] 2,469	7,236	9,705	25.4	192,119	12.9
1965	2,496	7,659	10,155	24.6	194,583	12.8
1966 (estimated)[4]	2,639	----------	----------	24.6	----------	13.4
1967 (estimated)[4]	2,700	----------	----------	24.0	----------	13.6

[1] Covers total end-of-year employment in full-time permanent, temporary, part-time, and intermittent positions.
[2] Includes piece-rate census workers employed for the decennial census.
[3] Excludes 7,411 project employees in 1963 and 406 project employees in 1964 for the public works acceleration program.
[4] An official projection of population and of State and local government employment for 1966 and 1967 is not available. The percentages and ratios shown for these years are consistent with a range of reasonable estimates based on recent trends in population and State and local employment.

Special Analysis D

INVESTMENT, OPERATING, AND OTHER EXPENDITURES

This analysis is designed to contribute to a greater understanding of Government activities by dividing Federal administrative budget and trust fund expenditures into several categories: (1) additions to Federal assets; (2) additions to State, local, and private assets; (3) developmental expenditures; (4) current expenses for aids and special services; (5) retirement and social insurance benefits (trust funds only); (6) other services and current operating expenses; and (7) unclassified (trust fund expenditures which do not properly belong in any of the other categories). In each category where applicable, national defense expenditures are reported separately from those for all other (civil) programs.

Basically, this analysis distinguishes between two types of expenditures: Those yielding benefits primarily in the future and those providing benefits largely in the year in which they are made. The former are essentially outlays of an investment nature while the latter are principally current expenses for aids, special services, and social insurance benefits. Expenditures yielding benefits over a period of years are shown in the first three classes, while outlays providing mainly current benefits are grouped in the remaining categories.

Expenditures from administrative budget funds are shown separately from trust funds in tables D–1 and D–2. The sum of the budget and trust fund totals is greater than the total of cash payments to the public primarily because there are intragovernmental transactions.

1. *Additions to Federal assets.*—This category includes administrative budget expenditures for direct loans, such as loans to finance private housing construction and encourage home ownership, to help small businesses, to finance college dormitory construction, to aid farm ownership and operation, to finance rural electric and telephone systems, and to promote economic development abroad. (Most of these programs are included in the budget total on a net basis; that is, gross disbursements less receipts.) It also includes financial investments in certain international organizations and mixed-ownership enterprises. Expenditures for public works, for changes in major commodity inventories, for major equipment (including military equipment), and for the acquisition and improvement of real property and other physical assets are also covered.

Trust fund expenditures in this category consist primarily of mortgage purchases (net of sales) by the Federal National Mortgage Association in support of its secondary mortgage market operations, and net loans by two Government-sponsored enterprises—banks for cooperatives and the Federal intermediate credit banks.

Table D-1. **SUMMARY OF INVESTMENT, OPERATING, AND OTHER EXPENDITURES** (in millions of dollars)

Description	Administrative budget funds			Trust funds		
	1965 actual	1966 estimate	1967 estimate	1965 actual	1966 estimate	1967 estimate
Additions to Federal assets:						
Civil:						
Loans and financial investments	1,873	67	−2,338	425	1,812	889
Physical assets	2,603	3,309	3,208	50	64	74
National defense	14,007	16,272	17,854			
Additions to State, local, and private assets:						
Civil	1,535	1,694	2,170	5,140	4,303	4,398
National defense	19	17	21	1	2	*
Developmental expenditures:						
Civil	8,084	10,502	12,538	72	77	81
National defense	7,884	8,045	8,090			
Subtotal, investment and developmental type expenditures:						
Civil	14,094	15,573	15,580	5,687	6,256	5,442
National defense	21,910	24,334	25,965	1	2	*
Current expenses for aids and special services:						
Civil	17,807	18,986	20,370	2,693	2,976	3,474
National defense	1,333	1,330	1,149	745	867	891
Retirement and social insurance benefits—civil				20,246	23,274	27,452
Other services and current operating expenses:						
Civil:						
Interest	11,435	12,104	12,854			
Other	3,878	3,777	3,865	−30	208	224
National defense	26,920	30,897	33,426	6	6	6
District of Columbia, deposit funds, and other unclassified items				928	992	1,158
Allowances and contingencies		75	350			
Interfund transactions	−870	−647	−712	−638	−795	−767
Grand total	96,507	106,428	112,847	29,637	33,786	37,882

*Less than one-half million dollars.

2. *Additions to State, local, and private assets.*—Federal outlays under this heading add to State, local, and private assets. Grant-in-aid expenditures which augment the physical assets of State and local governments are primarily for the construction of highways (mainly through the Highway trust fund), hospitals, airports, waste-treatment works, watershed protection projects, schools in federally affected areas, and public facilities under the area redevelopment program and the temporary accelerated public works program. Federal expenditures which increase the value of privately owned assets are largely for the conservation and improvement of private farmland and water, for grants to States for the building of private hospitals and other health facilities, and for construction subsidies to the merchant fleet. Trust fund expenditures in this category, in addition to the highway program, include the net loans made by the Federal land banks and the Federal home loan banks (Government-sponsored enterprises in which the Federal Government no longer holds any

capital stock); these loans strengthen lending institutions which promote farming and individual home ownership.

3. *Developmental expenditures.*—Federal expenditures of this type include outlays principally for research and development, education and health, and other programs which increase the Nation's fund of knowledge and technical skills and improve the physical vigor of the population. The total of Federal spending shown in this category does not fully reflect the Government's contribution to the productivity of the economy, since it excludes additions to physical assets, as well as certain other programs which further this end. The latter are classified in accordance with their principal purpose; thus, veterans educational benefits are listed as veterans aids rather than as developmental outlays. Similarly, the training of military personnel or other Government personnel is treated as an operating expense and not as part of the Government's education and training programs.

4. *Current expenses for aids and special services.*—Expenditures classified under this heading provide aids or special services to certain groups—mainly in the year in which the outlays are made. In addition to such items as realized losses of the Commodity Credit Corporation on its farm programs, maritime, operating subsidies, veterans pensions, and grants to foreign nations for economic and military assistance, this category includes (a) administrative and other operating expenses attributable to investment-type programs which benefit specific groups, and (b) the costs of maintaining the physical assets related to those programs.

Only part of the Federal Government's aid to special groups is reflected in this classification, which is limited by definition to current expenses. For example, subsidies for the construction of private merchant ships are classified as additions to private assets. Similarly, outlays for which the Federal Government receives assets or collateral (as the acquisition of farm commodities by the Commodity Credit Corporation) are treated as additions to Federal assets. Many indirect Government aids are excluded from this classification either because they are not reflected in expenditures or cannot be readily measured. Examples of such indirect benefits include low interest rates on some loans and certain preferential tax treatments.

Although expenditures in this category essentially provide a direct aid or special service yielding immediate benefits, some of the outlays included contribute indirectly to the Nation's future development. Among these are grants for slum clearance and urban renewal.

5. *Retirement and social insurance benefits.*—This category applies only to trust funds. It covers benefit programs which (a) are financed from special taxes or contributions and (b) provide insurance against the loss of income due to unemployment, retirement, disability, or death. It does not include Government employees' health and life insurance expenditures, which are in the form of subscription and premium payments to approved private companies. It also excludes such noncontributory programs as public assistance grants, military retired pay, and veterans disability and death compensation and pensions which are financed through the administrative budget.

6. *Other services and current operating expenses.*—The outlays reported under this heading support a wide range of activities. They consist mainly of current expenditures for: Pay and subsistence of military personnel; repair, maintenance, and operation of physical assets of the national military establishment and general purpose public buildings; conduct of foreign affairs; tax collection; payment of interest on the national debt; and operation and administration of other direct Federal programs not elsewhere classified.

7. *Unclassified.*—Certain trust fund expenditures represent financial transfers to other trust or budget accounts and cannot be properly classified into any of the categories described above. Advances and repayments between the Railroad retirement account and the Unemployment trust fund (for railroad unemployment benefits) are examples of such transactions. This grouping also includes the expenditures of the District of Columbia which are for the most part locally financed, but are accounted for as a Federal trust fund. Deposit fund transactions (net) are also included here.

Recoverability of expenditures.—In general, Government expenditures for assets are not expected to be recovered by specific revenues. However, most loans, investment in commodity inventories, the construction of powerplants, and outlays for range and forest improvements on public domain and national forest lands are offset in whole or in part by receipts to the Treasury through repayments and sales, specific charges, or recoveries. Where such activities are carried on through revolving funds, as in most loan programs, receipts are credited directly against the expenditures and only the difference is included in the expenditure total in the budget and in this analysis. In other cases, the returns are included as miscellaneous receipts to the Treasury rather than as offsets to expenditures.

Whether recovered by specific revenues or not, investment and developmental expenditures in both physical and human capital add to the wealth and income of the Nation and, by helping to expand the tax base, augment the Government's potential future revenues. However, this analysis does not attempt to measure the degree of recoverability of these outlays, the potential gain in public revenues which will be forthcoming from them, nor the duration of future benefits and their discounted present value.

Comparison with capital accounting, budgeting, and funding.—The purpose of this analysis is to provide a broad framework for understanding Federal expenditures, recognizing not only outlays to increase physical capital and financial assets, but also developmental expenditures which represent an investment in human capital. It does not distinguish precisely between capital and current items, although it does provide useful general magnitudes. Moreover, it does not make any allowance for depreciation and obsolescence on existing physical assets, anticipated losses on loan programs, or profit or loss on sales of assets at figures different from their book value. Agencies record such allowances only for transactions where the data will serve program and management needs, as in the case of the public enterprise funds. As a result, it is not possible to determine directly from this analysis the *net* addition to the value of federally owned assets.

This analysis is not a capital budget in the sense of a long-range program for the acquisition of assets, or a plan for separate financing of capital expenditures. Some foreign governments and some State and local governments fund a portion of their capital expenditures by separate borrowing and exclude most or all such expenditures from their computation of budget totals, except for annual charges to amortize these capital outlays over a number of years. The U.S. budget, on the other hand, treats outlays for investment items and for other purposes alike in computing the budget surplus or deficit.

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES
(in millions of dollars)

Description	1965 actual	1966 estimate	1967 estimate
Administrative Budget Funds			
ADDITIONS TO FEDERAL ASSETS			
Loans:			
Civil:			
To domestic private borrowers:			
Funds appropriated to the President: Economic opportunity program	17	30	25
Department of Agriculture:			
Commodity Credit Corporation: Price support, supply, and related programs	−303	−217	−1,309
Rural Electrification Adminstration	381	190	194
Farmers Home Administration:			
Direct loans	230	25	52
Agricultural credit insurance	17	7	−98
Rural housing insurance		32	−6
Emergency credit revolving fund	28	1	1
Participation sales			−560
Other		1	1
Department of Commerce: Economic development and other	48	41	47
Department of Health, Education, and Welfare:			
Higher education facilities construction	2	55	30
Defense educational activities	131	179	32
Public health service and other	16	28	3
Department of Housing and Urban Development:			
College housing loans	157	151	−318
Housing for the elderly or handicapped	43	56	69
Federal National Mortgage Association:			
Management and liquidating functions	−102	−289	−130
Special assistance functions	−371	−351	77
Government mortgage liquidation	−23	−88	−242
Participation sales			−390
Federal Housing Administration	−40	12	−35
Other	−3	3	14
Veterans Administration:			
Housing loans:			
Veterans direct loans	−107	−647	−206
Loan guarantee revolving fund	62	−134	−56
Other	3	2	2
Federal Home Loan Bank Board	29	24	−20
Small Business Administration: Revolving fund and other	232	−50	−410
Other agencies	2	3	1
Total, to domestic private borrowers, civil	448	−936	−3,233

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES** (in millions of dollars)—Continued

Description	1965 actual	1966 estimate	1967 estimate
Administrative Budget Funds—Continued			
ADDITIONS TO FEDERAL ASSETS—Continued			
Loans—Continued			
Civil—Continued			
To State and local governments:			
Department of Health, Education, and Welfare: Office of Education	----------	10	27
Department of Housing and Urban Development:			
College housing loans	69	93	−202
Public facility loans	38	22	−52
Urban renewal fund	47	18	22
Other	18	11	10
District of Columbia	21	13	46
Other agencies	31	45	42
Total, to State and local governments, civil	223	213	−106
To foreign borrowers:			
Funds appropriated to the President: Economic assistance	1,094	1,050	1,050
Department of State: Loan to the United Nations	----------	17	----------
Export-Import Bank of Washington	−217	−399	−203
Total, to foreign borrowers, civil	876	668	846
Total, loans, civil	1,547	−55	−2,492
National defense:			
To domestic private borrowers: Other agencies	−4	−2	−2
To foreign borrowers: Funds appropriated to the President:			
Military assistance	27	−42	35
Total, loans, national defense	24	−44	33
Total, loans	1,570	−99	−2,459
Other financial investments—civil:			
Investments in quasi-public institutions, trust funds, and international institutions:			
Funds appropriated to the President:			
Economic assistance	67	50	50
Asian Development Bank	----------	10	10
International Development Association	62	----------	70
International Monetary Fund	259	----------	----------
Department of Housing and Urban Development: Federal National Mortgage Association	−42	75	36
Other agencies	−19	−12	−12
Total, investments in quasi-public institutions, trust funds, and international institutions	326	122	154
Public works—sites and direct construction:			
Civil:			
Funds appropriated to the President:			
Economic opportunity program	17	78	30
Public works acceleration	33	*	----------
Department of Agriculture:			
Forest Service	100	104	120
Other	2	16	21

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1965 actual	1966 estimate	1967 estimate
Administrative Budget Funds—Continued			
ADDITIONS TO FEDERAL ASSETS—Continued			
Public works—sites and direct construction—Continued			
Civil—Continued			
Department of Defense—Civil:			
Corps of Engineers	896	967	1,000
Other	10	16	15
Department of Health, Education, and Welfare:			
Public Health Service	26	36	42
Other	10	15	32
Department of the Interior:			
Bureau of Indian Affairs	72	49	67
National Park Service	64	59	60
Bureau of Reclamation	246	236	219
Bonneville Power Administration	38	66	102
Other	38	50	44
Post Office Department	56	15	40
Department of State	17	26	29
Treasury Department:			
Coast Guard	28	18	40
Other	*	12	19
Federal Aviation Agency	81	67	77
General Services Administration: Public buildings	223	250	246
National Aeronautics and Space Administration	531	495	300
Veterans Administration: Hospitals and other	81	83	73
Tennessee Valley Authority	135	174	192
Other agencies	64	89	87
Total, public works, civil	2,773	2,924	2,859
National defense:			
Department of Defense—Military:			
Military construction	996	1,132	1,111
Family housing	149	150	35
Other	*	*	1
Atomic Energy Commission	206	175	160
Total, public works, national defense	1,351	1,458	1,307
Total, public works, sites and direct construction	4,125	4,381	4,166
Major commodity inventories:			
Civil:			
Department of Agriculture: Commodity Credit Corporation: Agricultural commodities	−446	−197	−88
Department of the Interior	13	17	20
Total, major commodity inventories, civil	−433	−180	−67
National defense:			
Funds appropriated to the President: Expansion of defense production	−73	−137	−182
Other agencies	30	16	13
Total, major commodity inventories, national defense	−43	−121	−169
Total, major commodity inventories	−476	−301	−236

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1965 actual	1966 estimate	1967 estimate
Administrative Budget Funds—Continued			
ADDITIONS TO FEDERAL ASSETS—Continued			
Major equipment:			
Civil:			
Post Office Department	54	60	61
Treasury Department: Coast Guard	28	56	40
Other agencies	25	38	30
Total, major equipment, civil	107	154	130
National defense:			
Department of Defense—Military	11,495	13,991	15,793
Atomic Energy Commission	159	165	145
Other	−1		
Total, major equipment, national defense	11,653	14,156	15,938
Total, major equipment	11,761	14,310	16,068
Other physical assets—acquisition and improvement:			
Civil:			
Funds appropriated to the President: Economic Opportunity Program	2	25	55
Department of Agriculture	25	25	25
Department of the Interior	52	70	67
Department of Housing and Urban Development: Federal Housing Administration and other	109	289	158
Veterans Administration	−50	−13	−34
Other agencies	17	16	16
Total, other physical assets, civil	156	411	286
National Defense:			
Department of Defense—Military	155	155	155
Atomic Energy Commission	867	669	590
Total, other physical assets, national defense	1,022	824	745
Total, other physical assets—acquisition and improvement	1,178	1,235	1,031
Total, additions to Federal assets	18,483	19,648	18,724
ADDITIONS TO STATE, LOCAL, AND PRIVATE ASSETS			
State and local assets:			
Civil:			
Funds appropriated to the President: Public works acceleration	258	117	7
Department of Agriculture:			
Watershed protection	45	44	50
Other	14	46	42
Department of Commerce:			
Economic Development Administration	8	13	73
Office of Appalachian Assistance		3	16
Bureau of Public Roads: Forest highways and other	38	63	101
National Bureau of Standards		*	*

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1965 actual	1966 estimate	1967 estimate
Administrative Budget Funds—Continued			
ADDITIONS TO STATE, LOCAL, AND PRIVATE ASSETS—Continued			
State and local assets—Continued			
Civil—Continued			
Department of Health, Education, and Welfare:			
Vocational education	21	33	39
Higher education facilities		51	163
School construction in federally affected areas	29	35	30
Regional medical programs		5	35
Hospital construction activities	64	60	70
Waste treatment works construction	70	77	83
Other: Public health and other	5	19	62
Department of the Interior:			
Land and water conservation		38	46
Other	1	11	27
Federal Aviation Agency: Grants-in-aid for airports	71	65	60
Department of Housing and Urban Development:			
Open space land and urban beautification	6	18	29
Grants for basic water and sewer facilities		1	51
Urban mass transportation fund	10	21	52
Other		1	12
Other agencies	12	28	45
Total, State and local assets, civil	653	747	1,094
National defense: Department of Defense—Military	19	17	21
Total, State and local assets	672	764	1,116
Private assets—civil:			
Funds appropriated to the President: Public works acceleration	30	8	1
Department of Agriculture:			
Soil conservation	125	133	133
Agricultural stabilization and conservation	430	402	582
Commodity Credit Corporation	−3	33	−45
Other	1	1	1
Department of Commerce: Merchant ships and other	92	110	95
Department of Health, Education, and Welfare:			
Health educational facilities, construction		24	44
Private hospital construction	124	130	146
Health research facilities	33	37	40
Other	6	16	25
National Science Foundation	40	50	50
Other agencies	2	3	2
Total, private assets	882	947	1,075
Total, additions to State, local, and private assets	1,554	1,711	2,191

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1965 actual	1966 estimate	1967 estimate
Administrative Budget Funds—Continued			
DEVELOPMENTAL EXPENDITURES			
Education, training, and health:			
Civil:			
Funds appropriated to the President: Economic opportunity program	114	720	1,102
Department of Agriculture: Extension Service	85	90	90
Department of Health, Education, and Welfare:			
Office of Education:			
Vocational education	103	132	158
Payments to school districts	311	307	222
Defense educational activities	136	137	185
Higher education facilities construction	2	30	86
Grants for public libraries	25	25	27
Elementary and secondary educational activities	----------	295	1,200
Higher educational activities	----------	77	302
Other	53	69	85
Vocational Rehabilitation Administration	117	190	284
Public Health Service:			
Chronic diseases and health of the aged	47	59	63
Community health	43	64	96
National Institutes of Health	193	236	275
Indian health activities	62	67	72
Other	75	110	144
Water Pollution Control Administration	21	28	46
Welfare Administration:			
Grants, maternal and child welfare	110	169	210
Other	30	30	31
Other	13	14	16
Department of the Interior:			
Bureau of Indian Affairs: Education and welfare	84	89	96
Other	*	*	*
Department of Labor:			
Manpower development and training	230	279	282
Other	6	24	25
National Science Foundation	114	129	142
Other agencies	23	32	43
Total, education, training and health, civil	1,997	3,403	5,284
National defense: Atomic Energy Commission	17	17	19
Total, education, training, and health	2,013	3,420	5,303
Research and development:			
Civil:			
Funds appropriated to the President:			
Economic opportunity program	4	56	56
Other	7	6	6
Department of Agriculture:			
Agricultural Research Service	111	130	127
Cooperative State Research Service	47	56	48
Forest Service	30	32	34
Other	21	21	19
Department of Commerce:			
National Bureau of Standards	22	28	25
Other	23	34	54

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES**
(in millions of dollars)—Continued

Description	1965 actual	1966 estimate	1967 estimate
Administrative Budget Funds—Continued			
DEVELOPMENTAL EXPENDITURES—Continued			
Research and development—Continued			
Civil—Continued			
Department of Health, Education, and Welfare:			
Public Health Service:			
National Institutes of Health	523	705	769
Other	67	91	110
Office of Education	19	48	78
Water Pollution Control Administration	10	15	36
Other	31	40	48
Department of the Interior:			
Geological Survey	24	25	26
Bureau of Mines	24	24	26
Other	56	70	75
Federal Aviation Agency	93	125	155
National Aeronautics and Space Administration	4,555	5,097	4,993
Veterans Administration	37	42	43
National Science Foundation	147	178	226
Other agencies	53	64	79
Total, research and development, civil	5,902	6,888	7,030
National defense:			
Department of Defense—Military:			
Military personnel: Research and development	275	280	275
Procurement: Test and evaluation support	70	75	75
Research, development, test, and evaluation	6,236	6,370	6,400
Operation and maintenance	32	35	40
Other	10	10	10
Atomic Energy Commission	1,241	1,256	1,270
Military assistance	3	2	2
Total, research and development, national defense	7,867	8,028	8,071
Total, research and development	13,769	14,916	15,101
Engineering and natural resource surveys—civil:			
Department of Agriculture	21	24	26
Department of Commerce	25	27	24
Department of Defense—Civil	18	22	26
Department of the Interior:			
Geological Survey	44	43	45
National Park Service	28	32	34
Other	26	29	26
Other agencies	22	34	44
Total, engineering and natural resource surveys	185	211	224
Total, developmental expenditures	15,967	18,547	20,629
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES			
Agriculture—civil:			
Department of Agriculture:			
Consumer and Marketing Service:			
Removal of surplus agricultural commodities	273	321	186
Other	18	16	13
Agricultural Stabilization and Conservation Service:			
Expenses	108	125	135
Sugar Act	92	94	85

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES**
(in millions of dollars)—Continued

Description	1965 actual	1966 estimate	1967 estimate
Administrative Budget Funds—Continued			
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Agriculture—civil—Continued			
Department of Agriculture—Continued			
Commodity Credit Corporation and special export programs:			
Sales for foreign currencies	1,293	1,114	994
International Wheat Agreement	35	75	3
Transfer to supplemental stockpile	41	34	41
National Wool Act	23	38	47
Price support, supply, and related programs	3,399	2,670	3,565
Losses on long-term supply contracts	200	301	262
Other	9	−2	−2
Farmers Home Administration:			
Direct loans	−29	−29	−22
Salaries and expenses	41	49	51
Other	−3	−9	4
Other	87	87	92
Other agencies	21	21	−4
Total, agriculture	5,609	4,904	5,451
Business:			
Civil:			
Department of Commerce:			
Patent Office	30	33	35
Maritime Administration: Ship operating subsidies and other	226	197	186
Other	62	63	72
Department of Defense—Civil:			
Corps of Engineers: Operation and maintenance	113	128	126
Other	−3	−7	−9
Post Office Department	174	246	58
Treasury Department: Coast Guard: Navigation aids	258	258	291
Federal Aviation Agency: Operations	498	492	499
Civil Aeronautics Board: Payments to air carriers	80	79	73
Small Business Administration	11	5	86
Other agencies	17	37	28
Total, business, civil	1,466	1,531	1,443
National defense: Funds appropriated to the President: Expansion of defense production	134	14	36
Total, business	1,601	1,545	1,479
Labor—civil: Other agencies	24	28	32
Homeowners and tenants—civil:			
Department of Housing and Urban Development:			
Urban renewal	278	344	390
Government mortgage liquidation fund	−1	−14	−41
Federal Housing Administration	−182	−189	−238
Public housing	219	251	271
Other	5	2	29
Federal Home Loan Bank Board	−233	−286	−332
Other agencies	*	*	*
Total, homeowners and tenants	84	107	78

*Less than one-half million dollars.

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Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1965 actual	1966 estimate	1967 estimate
Administrative Budget Funds—Continued			
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Veterans—civil:			
Department of Health, Education, and Welfare: Payments for military service credits	----------	105	105
Veterans Administration:			
Compensation and pensions	4,109	4,430	4,365
Readjustment benefits	49	43	132
General operating expenses	161	161	159
Hospitals and medical care	1,150	1,215	1,259
Veterans insurance programs	−9	−19	−37
Other	−1	13	16
Other agencies	25	7	21
Total, veterans	5,486	5,954	6,021
International aids:			
Civil:			
Funds appropriated to the President:			
Foreign economic assistance	875	994	1,096
Peace Corps	79	84	88
Department of Agriculture: Commodity Credit Corporation and special export programs: Emergency famine relief to friendly peoples	147	286	283
Export-Import Bank of Washington	−141	−133	−106
Other agencies	25	26	30
Total, international aids, civil	986	1,258	1,390
National defense: Funds appropriated to the President—Military assistance	1,198	1,316	1,114
Total, international aids	2,185	2,573	2,503
Other aids and special services—civil:			
Funds appropriated to the President:			
Disaster relief	43	150	43
Economic opportunity program	54	299	329
Department of Agriculture:			
Special milk program	87	89	37
Food stamp program	34	89	133
School lunch program	179	186	168
Other	*	*	----------
Department of Health, Education, and Welfare:			
Hospitals and medical care	52	56	58
Health insurance for the aged	----------	26	833
Assistance for Cuban refugees	19	23	31
Public assistance	3,059	3,605	3,595
Other	33	41	54
Department of the Interior: Bureau of Indian Affairs	68	61	61
Post Office Department	512	548	582
Other agencies	10	31	30
Total, other aids and special services	4,152	5,203	5,955
Total, current expenses for aids and special services	19,139	20,316	21,520

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1965 actual	1966 estimate	1967 estimate
Administrative Budget Funds—Continued			
OTHER SERVICES AND CURRENT OPERATING EXPENSES			
Repair, maintenance and operation of physical assets (excluding special services):			
Civil:			
Department of Agriculture: Forest Service	143	179	148
Department of Defense—Civil: Corps of Engineers	110	84	87
Department of the Interior:			
Bureau of Land Management	29	27	26
National Park Service	25	28	30
Bureau of Reclamation	54	53	56
Southeastern Power Administration	1	−24	−25
Other	46	7	7
General Services Administration: Public buildings	269	257	266
Tennessee Valley Authority	−109	−151	−136
Other agencies	37	41	41
Total, repair, maintenance, and operation, civil	606	500	499
National defense:			
Department of Defense—Military:			
Operation and maintenance	12,317	14,125	14,940
Family housing	137	135	145
Atomic Energy Commission	136	109	116
Other agencies	*	*	*
Total, repair, maintenance, and operation, national defense	12,590	14,369	15,201
Total, repair, maintenance, and operation of physical assets	13,195	14,869	15,701
Regulation and control:			
The Judiciary	74	82	91
Department of Agriculture:			
Agricultural Research Service	97	68	61
Other	24	64	8
Department of Health, Education, and Welfare:			
Food and Drug Administration	33	39	48
Other	*	*	*
Department of Justice:			
Legal activities and general administration	65	69	72
Federal Bureau of Investigation	160	169	179
Immigration and Naturalization Service	72	75	75
Federal prison system	56	54	58
Department of Labor	28	29	30
Treasury Department:			
Bureau of Customs	78	80	84
Coast Guard	33	35	37
Other	15	19	20
Federal Aviation Agency	40	41	41
Interstate Commerce Commission	26	27	28
National Labor Relations Board	25	28	30
Other agencies	92	97	102
Total, regulation and control	920	980	965

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES** (in millions of dollars)—**Continued**

Description	1965 actual	1966 estimate	1967 estimate
Administrative Budget Funds—Continued			
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Other operation and administration:			
Civil:			
International activities:			
Department of State:			
Foreign affairs administration	195	185	191
International organizations and conferences	93	102	107
Educational exchange	54	53	52
Other	2	2	2
United States Information Agency	159	161	162
Foreign Claims Settlement Commission	35	2	2
Other agencies	3	4	4
Total, international activities	541	509	521
Federal financial activities:			
Treasury Department:			
Bureau of Accounts	32	31	33
Bureau of the Mint	15	27	35
Bureau of the Public Debt	50	50	51
Internal Revenue Service	587	606	630
Other	12	12	13
General Accounting Office	45	48	49
Other agencies	5	5	4
Total, Federal financial activities	746	780	814
Other direct Federal programs:			
Legislative branch	135	149	162
Department of Commerce:			
Environmental Science Services Administration	87	86	98
Other	12	6	7
Department of Defense—Civil	45	48	60
Treasury Department: Claims, judgments, and private relief acts	74	34	9
General Services Administration	101	70	94
Civil Service Commission	23	26	23
Other agencies	42	52	61
Total, other direct Federal programs	521	472	515
Retirement, unemployment, and accident compensation for Federal employees:			
Department of Labor:			
Unemployment compensation for Federal employees	122	100	100
Employees' compensation claims and expenses	53	46	40
Treasury Department: Coast Guard retired pay and Secret Service annuities	37	42	44
Civil Service Commission: Special payments and annuities	94	98	106
Other agencies	4	4	5
Total, retirement, unemployment, and accident compensation for Federal employees	310	289	296

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1965 actual	1966 estimate	1967 estimate
Administrative Budget Funds—Continued			
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Other operation and administration—Continued			
Civil—Continued			
Shared revenues and grants-in-aid:			
Department of Agriculture: Forest Service	34	37	38
Department of the Interior:			
Bureau of Land Management	69	70	76
Other	35	38	37
Treasury Department	43	43	45
District of Columbia: Federal payment	38	39	39
Other agencies	16	22	18
Total, shared revenues and grants-in-aid	234	248	254
Total, other operation and administration, civil	2,351	2,298	2,401
National defense:			
Department of Defense—Military:			
Military personnel (excluding research and development)	14,496	16,320	17,875
Family housing	177	210	210
Civil defense	58	76	74
Other	−464	−160	−12
Selective Service System	43	60	53
Other agencies	21	23	25
Total, other operation and administration, national defense	14,331	16,529	18,224
Total, other operation and administration	16,682	18,826	20,625
Interest:			
On the public debt	11,346	12,000	12,750
Other interest:			
On refunds:			
Treasury Department	77	91	91
General Services Administration	*	*	*
On uninvested funds: Treasury Department	12	12	13
Total, other interest	89	104	104
Total, interest	11,435	12,104	12,854
Total, other services and current operating expenses	42,233	46,779	50,145
Allowance for contingencies		75	350
Interfund transactions	−870	−647	−712
Total, administrative budget funds	**96,507**	**106,428**	**112,847**

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1965 actual	1966 estimate	1967 estimate
Trust Funds			
(Includes deposit funds and Government-sponsored enterprises)			
ADDITIONS TO FEDERAL ASSETS			
Loans—civil:			
To domestic private borrowers:			
Department of Housing and Urban Development: Federal National Mortgage Association: Secondary market operations	49	1,503	552
Veterans Administration: Life insurance funds	39	40	45
Farm Credit Administration:			
Banks for cooperatives	189	69	80
Federal intermediate credit banks	149	201	212
Other agencies	−1	−1	−1
Total, loans to domestic private borrowers	425	1,812	889
Public works—sites and direct construction:			
Civil:			
Department of Defense—Civil: Corps of Engineers and other	25	28	28
Other agencies	2	8	14
Total, public works, civil	27	36	43
National Defense: Department of Defense—Military	*		
Total, public works, sites and direct construction	27	36	43
Other physical assets—acquisition and improvement—civil	24	28	31
Total, additions to Federal assets	475	1,876	962
ADDITIONS TO STATE, LOCAL, AND PRIVATE ASSETS			
State and local assets—civil:			
Department of Commerce: Highway trust fund and other	3,919	3,861	3,898
Private assets:			
Civil:			
Farm Credit Administration: Federal land banks	561	300	300
Federal home loan banks	660	142	200
Total, private assets, civil	1,221	442	500
National Defense: Atomic Energy Commission	1	2	*
Total, private assets	1,222	444	500
Total, additions to State, local, and private assets	5,141	4,305	4,398
DEVELOPMENTAL EXPENDITURES			
Education, training, and health—civil	*	1	2

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1965 actual	1966 estimate	1967 estimate
Trust Funds—Continued			
DEVELOPMENTAL EXPENDITURES—Continued			
Research and development—civil:			
Department of Commerce: Bureau of Public Roads and other	66	70	74
Other agencies	5	6	6
Total, research and development	71	76	79
Engineering and natural resource surveys—civil	*	*	*
Total developmental expenditures	72	77	81
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES			
Agriculture—civil	1	2	2
Business—civil:			
Department of Commerce:			
Bureau of Public Roads	42	40	42
Other	17	28	37
Federal Deposit Insurance Corporation	−180	−220	−223
Other	*	*	*
Total, business	−121	−151	−144
Labor—civil: Department of Labor: Unemployment trust fund: Grants for administration and other	441	502	557
Homeowners and tenants—civil	*	−28	−16
Veterans—civil:			
Veterans Administration: Life insurance funds and other	578	507	628
Department of Defense—civil	7	7	7
Total, veterans—civil	585	514	636
International aids:			
Civil: Other agencies	6	11	10
National defense: Funds appropriated to the President—Military assistance advances	745	867	891
Total, international aids	750	877	901
Other aids and special services—civil:			
Department of Commerce: Highway trust fund	----------	----------	68
Department of Health, Education, and Welfare:			
Federal old-age and survivors insurance: Operating expenses	300	274	285
Federal disability insurance: Operating expenses	1,392	1,715	1,782
Federal supplementary medical insurance: Operating expenses	----------	----------	133
Federal hospital insurance: Operating expenses	----------	53	87
Department of the Interior:			
Indian tribal funds	74	70	59
Other	3	3	3

*Less than one-half million dollars.

Table D-2. INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued

Description	1965 actual	1966 estimate	1967 estimate
Trust Funds—Continued			
CURRENT EXPENSES FOR AIDS AND SPECIAL SERVICES—Continued			
Other aids and special services—civil—Continued			
Other agencies	11	12	11
Total, other aids and special services	1,780	2,127	2,429
Total, current expenses for aids and special services	3,438	3,843	4,365
RETIREMENT AND SOCIAL INSURANCE BENEFITS			
Insurance benefits—civil:			
Department of Health, Education, and Welfare:			
Federal old-age and survivors insurance	15,226	18,125	19,064
Federal disability insurance trust fund	82	193	117
Federal supplementary medical insurance			765
Federal hospital insurance			2,338
Total, insurance benefits	15,308	18,318	22,284
Unemployment benefits—civil: Department of Labor: Unemployment trust fund	2,505	2,284	2,305
Other retirement and social insurance benefits—civil:			
Civil Service Commission: Civil Service retirement and disability	1,308	1,486	1,658
Railroad Retirement Board: Railroad retirement account	1,116	1,176	1,195
Other agencies	8	10	11
Total, other retirement and social insurance benefits	2,433	2,672	2,864
Total, retirement and social insurance benefits	20,246	23,274	27,452
OTHER SERVICES AND CURRENT OPERATING EXPENSES			
Repair, maintenance and operation of physical assets, (excluding special services)—civil	2	3	3
Regulation and control—civil:			
Department of Agriculture: Inspection, grading, and other	27	28	28
Other agencies	4	4	5
Total, regulation and control	31	32	33
Other operation and administration:			
Civil:			
International activities:			
Department of Justice:			
Alien property fund: World War II	−179	4	38
Other		1	
Foreign Claims Settlement Commission: War claims fund	*	19	47
Other agencies	3	5	6
Total, international activities	−176	29	91
Federal financial activities	*	*	*

*Less than one-half million dollars.

Table D-2. **INVESTMENT, OPERATING, AND OTHER EXPENDITURES (in millions of dollars)—Continued**

Description	1965 actual	1966 estimate	1967 estimate
Trust Funds—Continued			
OTHER SERVICES AND CURRENT OPERATING EXPENSES—Continued			
Other operation and administration—Continued			
Civil—Continued			
Other direct Federal programs:			
Civil Service Commission:			
Civil service retirement and disability fund: Refunds	130	129	133
Health benefits and life insurance	−36	−6	−58
Other agencies	2	2	2
Total, other direct Federal programs	96	125	78
Shared revenues and grants-in-aid	17	19	19
Total, other operation and administration, civil	−63	173	188
National defense: Other agencies	6	6	6
Total, other operation and administration	−57	179	194
Total, other services and current operating expenses	−24	214	230
UNCLASSIFIED			
Payments to other trust funds:			
Federal old-age and survivors insurance	436	446	521
Federal disability insurance	24	30	40
Alien property fund	10	150	25
Railroad retirement account	58	52	68
Payments to general fund: Unemployment trust fund	184	104	85
District of Columbia	384	446	489
Federal National Mortgage Association—secondary market operations	42	−75	−36
Advances from District of Columbia	*	5	14
Deposit funds	−210	−166	−48
Total, unclassified	928	992	1,158
Interfund transactions	−638	−795	−767
Total, trust funds	29,637	33,786	37,882

*Less than one-half million dollars.

PRIVATE PARTICIPATION IN FEDERAL CREDIT PROGRAMS

(For additional details, see Special Analysis E in separate volume, *Special Analyses of the United States Budget, 1967*.)

Despite the number and variety of major Federal credit programs, they directly affect only a small fraction of the total volume of credit, both public and private. Of the estimated private debt of $853 billion outstanding on June 30, 1965, direct Government loans and guarantees of private loans to domestic private borrowers accounted for about 11%. Federal guarantees or insurance of private loans were responsible for most of the Federal assistance.

In recent years, and especially during the past year, emphasis has been placed upon obtaining private participation in public credit programs wherever consistent with achievement of the purposes of such programs. Numerous methods are being employed to make this policy effective, including: (a) limitation of direct lending to cases where borrowers cannot otherwise obtain the funds on reasonable terms; (b) liberalization in lending authority of private institutions; (c) expanded use of Government guarantees and insurance of private loans as an alternative to direct loans; and (d) increased sales of Government loans to private lenders.

DIRECT SALES AND PARTICIPATION SALES OF LOANS BY FEDERAL CREDIT PROGRAMS

(in millions of dollars)

Agency or program	1965 actual		1966 estimate		1967 estimate	
	Direct sales	Participation sales	Direct sales	Participation sales	Direct sales	Participation sales
Department of Agriculture: Farmers Home Administration	35	--------	40	--------	15	[1] 600
Department of Health, Education, and Welfare: Office of Education	--------	--------	--------	--------	--------	[1] 100
Department of Housing and Urban Development:						
Federal National Mortgage Association	264	200	182	485	49	[2] 520
Federal Housing Administration	6	--------	15	--------	65	--------
Public housing program	4	--------	--------	--------	--------	--------
College housing loans	12	--------	5	--------	5	[1] 820
Public facility loans	11	--------	5	--------	5	[1] 80
Veterans Administration:						
Direct loan revolving fund	61	93	60	625	80	154
Loan guarantee revolving fund	266	7	260	200	290	106
Export-Import Bank of Washington	124	450	60	975	25	975
Small Business Administration	31	--------	45	[1] 350	--------	[1] 850
Total, by type of sale	814	750	672	2,635	534	4,205
Grand total	1,564		3,307		4,739	
Present programs	1,564		2,957		1,889	
Proposed legislation	--------		350		2,850	

[1] Under proposed legislation.
[2] Includes $400 million under proposed legislation.

Legislation is being proposed to authorize a Government-wide program for the sale of participations in outstanding direct loans. Under the expanded program, the Federal National Mortgage Association, as trustee, will continue to administer the pools of loans set aside by the Veterans Administration and by its own special assistance and management and liquidating programs. It will also administer and sell certificates of participation in pools of loans set aside by the Farmers Home Administration, the Office of Education, the Small Business Administration, and the college housing and public facility loan programs of the Department of Housing and Urban Development.

The program authorized by this legislation will use many of the techniques successfully employed in earlier sales of participations by the Export-Import Bank and the Federal National Mortgage Association. In addition, new provisions will make it possible for the first time to include in the pools many loans which bear interest rates below current market levels. The agencies pooling such loans will be authorized to make supplementary payments to the trustee, which, together with the interest on the loans in the pools, will assure a level of return adequate to attract private investment.

Largely as a result of this proposed legislation, sales of financial assets are expected to increase from the $1.6 billion actually consummated in 1965 to $3.3 billion in 1966 and $4.7 billion in 1967. These figures exclude sales made as part of the usual process of guaranteeing or insuring loans, and sales from one Government agency to another, as well as regular amortization and prepayments of principal.

Of the total sales anticipated in 1967, $4,205 million will be accomplished through sales of participations and $534 million from direct sales of individual loans. The timing of sales and the specific assets to be sold are subject to variation depending upon market developments and shifts in the inventory of available assets.

PART 7

HISTORICAL TABLES

Table 15. ADMINISTRATIVE BUDGET TOTALS AND PUBLIC DEBT, 1789–1967 (in millions of dollars)

Fiscal year	ADMINISTRATIVE BUDGET			Public debt at end of year [1]	Fiscal year	ADMINISTRATIVE BUDGET			Public debt at end of year [1]
	Receipts	Expenditures	Surplus (+) or deficit (−)			Receipts	Expenditures	Surplus (+) or deficit (−)	
1789–1849	1,160	1,090	+70	63	1933	1,997	4,598	−2,602	22,539
1850–1899	13,895	14,932	−1,037	1,437	1934	3,015	6,645	−3,630	27,734
1900	567	521	+46	1,263	1935	3,706	6,497	−2,791	32,824
1901	588	525	+63	1,222	1936	3,997	8,422	−4,425	38,497
1902	562	485	+77	1,178	1937	4,956	7,733	−2,777	41,089
1903	562	517	+45	1,159	1938	5,588	6,765	−1,177	42,018
1904	541	584	−43	1,136	1939	4,979	8,841	−3,862	45,890
1905	544	567	−23	1,132	1940	5,137	9,055	−3,918	48,497
1906	595	570	+25	1,143	1941	7,096	13,255	−6,159	55,332
1907	666	579	+87	1,147	1942	12,547	34,037	−21,490	76,991
1908	602	659	−57	1,178	1943	21,947	79,368	−57,420	140,796
1909	604	694	−89	1,148	1944	43,563	94,986	−51,423	202,626
1910	676	694	−18	1,147	1945	44,362	98,303	−53,941	259,115
1911	702	691	+11	1,154	1946	39,650	60,326	−20,676	269,898
1912	693	690	+3	1,194	1947	39,677	38,923	+754	258,376
1913	714	715	*	1,193	1948	41,375	32,955	+8,419	252,366
1914	725	725	*	1,188	1949	37,663	39,474	−1,811	252,798
1915	683	746	−63	1,191	1950	36,422	39,544	−3,122	257,377
1916	762	713	+48	1,225	1951	47,480	43,970	+3,510	255,251
1917	1,100	1,954	−853	2,976	1952	61,287	65,303	−4,017	259,151
1918	3,630	12,662	−9,032	12,455	1953	64,671	74,120	−9,449	266,123
1919	5,085	18,448	−13,363	25,485	1954	64,420	67,537	−3,117	271,341
1920	6,649	6,357	+291	24,299	1955	60,209	64,389	−4,180	274,418
1921	5,567	5,058	+509	23,977	1956	67,850	66,224	+1,626	272,825
1922	4,021	3,285	+736	22,963	1957	70,562	68,966	+1,596	270,634
1923	3,849	3,137	+713	22,350	1958	68,550	71,369	−2,819	276,444
1924	3,853	2,890	+963	21,251	1959	67,915	80,342	−12,427	284,817
1925	3,598	2,881	+717	20,516	1960	77,763	76,539	+1,224	286,471
1926	3,753	2,888	+865	19,643	1961	77,659	81,515	−3,856	289,211
1927	3,992	2,837	+1,155	18,512	1962	81,409	87,787	−6,378	298,645
1928	3,872	2,933	+939	17,604	1963	86,376	92,642	−6,266	306,466
1929	3,861	3,127	+734	16,931	1964	89,459	97,684	−8,226	312,526
1930	4,058	3,320	+738	16,185	1965	93,072	96,507	−3,435	317,864
1931	3,116	3,577	−462	16,801	1966 est.	100,000	106,428	−6,428	320,000
1932	1,924	4,659	−2,735	19,487	1967 est.	111,000	112,847	−1,847	321,680

Note.—A classification of administrative budget receipts and expenditures for the period 1955 to 1966, inclusive, is found in table 18 (p. 435) and table 19 (p. 436), respectively. The change in the public debt from year to year is not necessarily the same as the administrative budget surplus or deficit. It reflects also changes in the Government's cash on hand, and the use of corporate debt and investment transactions by certain Government enterprises.

Certain interfund transactions are excluded from administrative budget receipts and expenditures starting in 1932. For years prior to 1932 the amounts of such transactions are not significant.

Refunds of receipts are excluded from administrative budget receipts and expenditures starting in 1913; comparable data are not available for prior years.

*Less than $500 thousand.

[1] Includes Government enterprise debt guaranteed by the U.S. Treasury.

Table 16. CONSOLIDATED CASH TOTALS AND FEDERAL SECTOR OF THE NATIONAL INCOME ACCOUNTS, 1940–67 (in billions of dollars)

Fiscal year	Consolidated cash statement			Federal sector of the national income accounts		
	Receipts	Payments	Surplus (+) or deficit (−)	Receipts	Expenditures	Surplus (+) or deficit (−)
1940	6.9	9.6	−2.7	7.6	9.1	−1.5
1941	9.2	14.0	−4.8	12.1	13.4	−1.3
1942	15.1	34.5	−19.4	19.6	33.6	−14.0
1943	25.1	78.9	−53.8	28.9	76.8	−47.9
1944	47.8	94.0	−46.1	43.1	91.3	−48.1
1945	50.2	95.2	−45.0	43.0	98.2	−55.2
1946	43.5	61.7	−18.2	38.4	55.5	−17.1
1947	43.5	36.9	+6.6	42.7	29.5	+13.2
1948	45.4	36.5	+8.9	43.6	30.9	+12.7
1949	41.6	40.6	+1.0	40.0	39.6	+.4
1950	40.9	43.1	−2.2	42.0	42.4	−.5
1951	53.4	45.8	+7.6	60.8	44.6	+16.2
1952	68.0	68.0	*	65.1	66.0	−1.0
1953	71.5	76.8	−5.3	69.3	75.8	−6.5
1954	71.6	71.9	−.2	65.8	74.2	−8.5
1955	67.8	70.5	−2.7	67.2	67.3	−.1
1956	77.1	72.5	+4.5	75.8	69.8	+6.0
1957	82.1	80.0	+2.1	80.7	76.0	+4.7
1958	81.9	83.5	−1.6	77.9	83.1	−5.1
1959	81.7	94.8	−13.1	85.4	90.9	−5.5
1960	95.1	94.3	+.8	94.8	91.3	+3.5
1961	97.2	99.5	−2.3	95.3	98.0	−2.7
1962	101.9	107.7	−5.8	104.2	106.4	−2.1
1963	109.7	113.8	−4.0	110.2	111.4	−1.2
1964	115.5	120.3	−4.8	115.1	117.1	−1.9
1965	119.7	122.4	−2.7	119.6	118.3	+1.2
1966 (estimate)	128.2	135.0	−6.9	128.8	131.0	−2.2
1967 (estimate)	145.5	145.0	+.5	142.2	142.7	−.5

Note.—For an explanation of the consolidated cash statement and Federal sector of the national income accounts, see special analysis A (pages 378 to 386). Classifications of receipts and expenditures on both the consolidated cash and national income bases, for fiscal years 1956–67, are shown in table 20 (page 441), and table 21 (page 442), respectively.

* Less than $50 million.

Table 17. **FEDERAL FINANCES AND THE GROSS NATIONAL PRODUCT, 1940–66 (in billions of dollars)**

Fiscal year	Gross national product	Administrative budget expenditures		Cash payments to the public		Federal purchases of goods and services		Public debt at end of year [1]	
		Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP	Amount	Percent of GNP
1940	95.0	9.1	9.5	9.6	10.1	5.3	5.5	48.5	51.1
1941	109.4	13.3	12.1	14.0	12.8	9.6	8.8	55.3	50.6
1942	139.2	34.0	24.4	34.5	24.8	29.9	21.5	77.0	55.3
1943	177.5	79.4	44.7	78.9	44.5	72.3	40.8	140.8	79.3
1944	201.9	95.0	47.1	94.0	46.6	85.6	42.4	202.6	100.4
1945	216.8	98.3	45.3	95.2	43.9	89.7	41.4	259.1	119.5
1946	201.6	60.3	29.9	61.7	30.6	40.1	19.9	269.9	133.9
1947	219.8	38.9	17.7	36.9	16.8	13.0	5.9	258.4	117.5
1948	243.5	33.0	13.5	36.5	15.0	13.2	5.4	252.4	103.6
1949	260.0	39.5	15.2	40.6	15.6	19.3	7.4	252.8	97.2
1950	263.3	39.5	15.0	43.1	16.4	19.0	7.2	257.4	97.7
1951	310.5	44.0	14.2	45.8	14.7	25.1	8.1	255.3	82.2
1952	337.2	65.3	19.4	68.0	20.2	46.6	13.8	259.2	76.8
1953	358.9	74.1	20.7	76.8	21.4	56.1	15.6	266.1	74.1
1954	362.1	67.5	18.7	71.9	19.8	53.2	14.7	271.3	74.9
1955	378.6	64.4	17.0	70.5	18.6	43.9	11.6	274.4	72.5
1956	409.4	66.2	16.2	72.5	17.7	45.2	11.0	272.8	66.6
1957	431.3	69.0	16.0	80.0	18.5	47.7	11.1	270.6	62.7
1958	440.3	71.4	16.2	83.5	19.0	50.7	11.5	276.4	62.8
1959	469.1	80.3	17.1	94.8	20.2	54.7	11.7	284.8	60.7
1960	495.2	76.5	15.5	94.3	19.0	52.7	10.6	286.5	57.8
1961	506.5	81.5	16.1	99.5	19.7	55.5	11.0	289.2	57.1
1962	542.1	87.8	16.2	107.7	19.9	60.9	11.2	298.6	55.1
1963	572.4	92.6	16.2	113.8	19.9	63.4	11.1	306.5	53.5
1964	609.6	97.7	16.0	120.3	19.7	65.8	10.8	312.5	51.3
1965	648.7	96.5	14.9	122.4	18.9	64.5	9.9	317.9	49.0
1966 (estimate)	700.0	106.4	15.2	135.0	19.3	70.7	10.1	320.0	45.7

[1] Includes Government enterprise debt guaranteed by the U.S. Treasury.

Table 18. **ADMINISTRATIVE BUDGET AND TRUST FUND RECEIPTS, 1956–67** (in millions of dollars)

Description	Actual										Estimate	
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
ADMINISTRATIVE BUDGET FUNDS												
Individual income taxes	32,188	35,620	34,724	36,719	40,715	41,338	45,571	47,588	48,697	48,792	51,400	56,240
Corporation income taxes	20,880	21,167	20,074	17,309	21,494	20,954	20,523	21,579	23,493	25,461	29,700	34,400
Excise taxes (net)	9,929	9,055	8,612	8,504	9,137	9,063	9,585	9,915	10,211	10,911	9,169	8,879
Employment taxes	322	328	333	321	339	*						
Estate and gift taxes	1,161	1,365	1,393	1,333	1,606	1,896	2,016	2,167	2,394	2,716	2,932	3,301
Customs	682	735	782	925	1,105	982	1,142	1,205	1,252	1,442	1,655	1,845
Miscellaneous receipts	3,003	2,760	3,200	3,160	4,062	4,080	3,206	4,435	4,076	4,619	5,791	7,047
Interfund transactions	−315	−467	−567	−355	−694	−654	−633	−513	−664	−870	−647	−712
Total administrative budget	67,850	70,562	68,550	67,915	77,763	77,659	81,409	86,376	89,459	93,072	100,000	111,000
TRUST FUNDS												
Employment taxes	6,905	7,192	8,233	8,446	10,728	12,404	12,561	14,862	16,832	16,905	18,819	24,339
Unemployment tax deposits by States	1,330	1,542	1,501	1,701	2,167	2,398	2,729	3,009	3,042	3,052	2,900	2,900
Excise taxes		1,479	2,026	2,074	2,539	2,798	2,949	3,279	3,519	3,659	3,859	4,378
Federal employee and agency payments for retirement	813	1,175	1,252	1,507	1,504	1,740	1,756	1,878	2,029	2,173	2,222	2,244
Interest on trust funds	1,212	1,324	1,350	1,323	1,337	1,414	1,433	1,477	1,613	1,770	1,822	1,970
Veterans life insurance premiums	441	452	485	478	482	504	501	494	494	488	490	490
Miscellaneous trust receipts	918	1,146	1,317	1,375	2,494	2,840	2,889	3,195	3,322	3,639	4,221	6,053
Interfund transactions	−12	−10	−11	−135	−908	−515	−528	−505	−521	−638	−795	−767
Total trust funds	11,607	14,301	16,153	16,769	20,342	23,582	24,290	27,689	30,331	31,047	33,539	41,608

Note.—Figures shown in this table are net of refunds, but correspond to the net figures used in the same classifications for fiscal years 1965 to 1967 in table 13 (pages 60 to 66).

*Less than $500 thousand.

Table 19. **ADMINISTRATIVE BUDGET AND TRUST EXPENDITURES BY FUNCTION, 1956–67** (in millions of dollars)

Description	Actual										Estimate	
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
ADMINISTRATIVE BUDGET FUNDS												
050 National defense:												
051 Department of Defense—Military:												
Military personnel	11,582	11,409	11,611	11,801	11,738	12,085	13,032	13,000	14,195	14,771	16,600	18,150
Operation and maintenance	8,400	9,487	9,761	10,378	10,223	10,611	11,594	11,874	11,932	12,349	14,160	14,980
Procurement	12,227	13,488	14,083	14,409	13,334	13,095	14,532	16,632	15,351	11,839	13,880	15,970
Research, development, test, and evaluation	2,101	2,406	2,504	2,866	4,710	6,131	6,319	6,376	7,021	6,236	6,370	6,400
Military construction	2,079	1,968	1,753	1,948	1,626	1,605	1,347	1,144	1,026	1,007	1,140	1,120
Family housing	------	------	------	------	------	------	------	427	580	619	650	545
Civil defense	------	------	------	------	------	------	90	203	107	93	100	100
Revolving and management funds	−598	−323	−643	−179	−416	−300	−99	−1,401	−452	−741	25	−115
Total, Department of Defense—Military	35,792	38,436	39,071	41,223	41,215	43,227	46,815	48,252	49,760	46,173	52,925	57,150
057 Military assistance	2,611	2,352	2,187	2,340	1,609	1,449	1,390	1,721	1,485	1,229	1,275	1,150
058 Atomic energy	1,651	1,990	2,268	2,541	2,623	2,713	2,806	2,758	2,765	2,625	2,390	2,300
059 Defense-related activities	669	590	709	379	244	104	92	24	172	136	−30	−59
Total, national defense	40,723	43,368	44,234	46,483	45,691	47,494	51,103	52,755	54,181	50,163	56,560	60,541
150 International affairs and finance:												
151 Conduct of foreign affairs	129	157	173	237	217	216	249	346	297	346	327	328
152 Economic and financial programs	1,519	1,559	1,788	3,305	1,381	1,927	2,130	1,826	1,479	2,094	1,675	2,074
153 Foreign information and exchange activities	111	133	149	139	137	158	197	201	207	223	229	237
154 Food for Peace	708	1,463	1,195	1,120	1,327	1,653	1,726	1,779	1,704	1,641	1,701	1,539
Total, international affairs and finance	2,467	3,311	3,305	4,802	3,064	3,954	4,301	4,151	3,687	4,304	3,932	4,177

250 Space research and technology:												
251 Space research and technology:												
Manned space flight	--------	--------	--------	11	113	279	565	1,516	2,768	3,538	3,810	3,600
Scientific investigations in space	--------	--------	--------	25	125	232	359	483	641	662	735	656
Meteorology and other space applications	--------	--------	--------	1	8	17	61	92	112	89	101	100
Other research, technology, and supporting operations	--------	--------	--------	109	154	217	272	460	650	804	954	944
Total, space research and technology	71	76	89	145	401	744	1,257	2,552	4,171	5,093	5,600	5,300
350 Agriculture and agricultural resources:												
351 Farm income stabilization	3,286	2,092	2,211	4,275	2,370	2,345	3,093	3,954	4,144	3,438	3,134	2,989
352 Financing farming and rural housing	232	248	269	311	289	349	234	300	251	268	90	−612
353 Financing rural electrification and rural telephones	217	267	297	315	330	301	303	342	342	392	193	196
354 Agricultural land and water resources	285	353	289	341	324	347	367	324	324	341	374	348
355 Research and other agricultural services	215	227	255	291	293	324	341	391	414	457	522	452
Total agriculture and agricultural resources	4,234	3,186	3,320	5,533	3,606	3,667	4,338	5,311	5,475	4,898	4,313	3,372
400 Natural resources:												
401 Land and water resources	823	947	1,165	1,219	1,279	1,444	1,623	1,779	1,832	1,922	1,985	2,098
402 Forest resources	139	163	174	201	220	331	280	303	332	374	421	409
403 Mineral resources	38	62	59	71	65	61	68	71	91	105	114	141
404 Fish and wildlife resources	45	51	60	68	68	73	81	94	105	120	123	123
405 Recreational resources	44	59	69	85	74	91	94	112	130	134	194	204
409 General resource surveys and administration	36	38	44	61	51	55	60	73	73	94	84	86
Total, natural resources	1,125	1,320	1,570	1,705	1,757	2,056	2,206	2,431	2,563	2,750	2,920	3,062

See footnotes at end of table, p. 440.

Table 19. **ADMINISTRATIVE BUDGET AND TRUST EXPENDITURES BY FUNCTION, 1956–67** (in millions of dollars)—Continued

Description	Actual										Estimate	
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
ADMINISTRATIVE BUDGET FUNDS—Con.												
500 Commerce and transportation:												
501 Aviation	180	219	315	494	568	716	781	808	835	875	879	913
502 Water transportation	420	365	392	436	508	569	654	672	658	728	749	756
503 Highways	783	40	31	30	38	36	33	41	39	39	77	102
505 Postal service	463	518	674	774	525	914	797	770	578	805	878	755
506 Advancement of business	5	119	170	234	265	271	427	366	401	557	301	−150
507 Area and regional development [1]			*				7	101	401	398	217	193
508 Regulation of business	41	45	49	58	59	67	74	84	91	98	101	104
Total, commerce and transportation	1,892	1,305	1,632	2,025	1,963	2,573	2,774	2,843	3,002	3,499	3,202	2,672
550 Housing and community development:												
551 Aids to private housing	−67	−254	−126	732	−172	−44	−149	−537	−595	−818	−719	−836
552 Public housing programs	31	60	51	97	134	150	163	178	149	230	249	261
553 Urban renewal and community facilities	4	49	78	108	130	162	261	222	306	420	477	571
555 National Capital region	23	27	26	33	30	51	74	70	59	64	71	127
Total, housing and community development	−10	−118	30	970	122	320	349	−67	−80	−104	77	123
650 Health, labor, and welfare:												
651 Health services and research [2]	342	461	540	700	815	961	1,233	1,511	1,878	1,882	2,481	3,621
652 Labor and manpower	479	397	488	924	510	809	591	224	345	464	523	531
653 Public assistance (excluding medical care for the aged) [2]	1,457	1,558	1,797	1,969	2,061	2,147	2,331	2,631	2,786	2,827	3,288	3,364
655 Economic opportunity program										211	1,210	1,600
659 Other welfare services	184	216	234	284	304	327	382	423	466	513	875	846
Total, health, labor, and welfare	2,462	2,632	3,059	3,877	3,690	4,244	4,538	4,789	5,475	5,898	8,377	9,962

700 Education:												
701 Assistance for elementary and secondary education	181	174	189	259	327	332	337	392	404	418	730	1,546
702 Assistance for higher education	44	110	178	225	261	286	350	428	383	413	712	140
703 Assistance to science education and basic research	20	46	50	106	120	143	183	206	310	309	365	425
704 Other aids to education	98	108	124	141	156	181	207	219	241	405	512	723
Total, education	343	437	541	732	866	943	1,076	1,244	1,339	1,544	2,318	2,834
800 Veterans benefits and services:												
801 Veterans service-connected compensation	1,864	1,876	2,024	2,071	2,049	2,034	2,017	2,116	2,158	2,176	2,311	2,307
802 Veterans non-service-connected pensions	884	950	1,037	1,152	1,265	1,532	1,635	1,698	1,743	1,864	2,001	1,978
803 Veterans readjustment benefits	943	977	1,025	864	725	559	388	−13	113	−50	−813	−164
804 Veterans hospitals and medical care	788	801	856	921	961	1,030	1,084	1,145	1,229	1,270	1,342	1,376
805 Other veterans benefits and services	331	266	242	280	266	259	279	240	249	235	280	224
Total, veterans benefits and services	4,810	4,870	5,184	5,287	5,266	5,414	5,403	5,186	5,492	5,495	5,122	5,721
850 Interest:												
851 Interest on the public debt	6,787	7,244	7,607	7,593	9,180	8,957	9,120	9,895	10,666	11,346	12,000	12,750
852 Interest on refunds of receipts	54	57	74	69	76	83	68	74	88	77	91	91
853 Interest on uninvested funds	6	6	8	9	10	10	10	11	11	12	12	13
Total, interest	6,846	7,307	7,689	7,671	9,266	9,050	9,198	9,980	10,765	11,435	12,104	12,854
900 General government:												
901 Legislative functions	76	90	89	102	109	118	135	131	126	142	166	162
902 Judicial functions	38	40	44	47	49	52	57	63	66	76	84	94
903 Executive direction and management	12	12	19	21	20	22	22	21	22	23	27	28
904 Central fiscal operations	475	476	502	566	558	607	653	715	791	825	872	918
905 General property and records management	173	201	245	295	372	372	419	444	576	606	581	614
906 Central personnel management	304	602	84	95	84	140	153	142	174	174	173	173
908 Protective services and alien control	220	219	233	255	263	289	300	323	335	366	397	423
910 Other general government	278	100	69	86	88	109	136	139	189	190	175	179
Total, general government	1,576	1,738	1,284	1,466	1,542	1,709	1,875	1,979	2,280	2,402	2,476	2,591
Allowance for contingencies											75	350
Interfund transactions	−315	−467	−567	−355	−694	−654	−633	−513	−664	−870	−647	−712
Total, administrative budget funds	66,224	68,966	71,369	80,342	76,539	81,515	87,787	92,642	97,684	96,507	106,428	112,847

See footnotes at end of table, p. 440.

Table 19. **ADMINISTRATIVE BUDGET AND TRUST EXPENDITURES BY FUNCTION, 1956–67** (in millions of dollars)—Continued

Description	Actual										Estimate	
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
TRUST FUNDS												
050 National defense	143	93	344	229	256	196	366	679	487	751	875	898
150 International affairs and finance	−29	13	1	21	48	13	15	44	62	−160	190	126
250 Space research and technology									*	*	*	*
350 Agriculture and agricultural resources	288	426	357	645	458	416	398	507	496	927	600	623
400 Natural resources	79	85	101	94	116	183	112	122	137	134	144	142
500 Commerce and transportation	−101	866	1,401	2,493	2,831	2,505	2,662	2,877	3,482	3,864	3,780	3,895
550 Housing and community development	461	1,044	−295	1,263	1,439	−273	1,524	−36	1,889	1,136	1,988	1,194
650 Health, labor, and welfare	7,999	9,585	12,775	14,306	16,358	19,236	20,382	21,855	22,733	23,186	26,589	31,110
700 Education	1	1	1	1	1	1	1	2	2	2	3	4
800 Veterans benefits and services	606	608	671	651	673	811	733	835	666	624	554	682
900 General government	8	8	10	10	17	16	20	19	18	21	23	24
Deposit funds	169	217	−29	−60	−78	203	−544	146	−567	−210	−166	−48
Interfund transactions	−12	−10	−11	−135	−908	−515	−528	−505	−521	−638	−795	−767
Total, trust funds	9,611	12,938	15,325	19,521	21,212	22,793	25,141	26,545	28,885	29,637	33,786	37,882

*Less than $500 thousand.

[1] Amounts shown include expenditures under the temporary public works acceleration program, which supplements expenditures in the other functions as follows:

	1963	*1964*	*1965*	*1966*	*1967*
Housing and community development (553)	$13	$176	$190	$70	$7
Community health facilities and waste treatment (651)	1	69	108	48	1
Land, water, mineral, forest, and wildlife resources (400; more than one subfunction)	44	64	19	6	-
Commerce, highways, and other transportation (500; more than one subfunction)	2	15	4	1	-
Federal facilities, post offices, and prisons (900; more than one subfunction)	1	6	1	---	-
Agriculture and agricultural resources (300; more than one subfunction)	1	1	---	---	-
All other functions	--	1	---	---	-
Total	62	332	322	125	8

[2] The portion of the appropriation for "Public assistance" which finances medical and hospital care for the aged has been reclassified from subfunction 653 "Public assistance" to subfunction 651 "Health services and research." Subfunction 653 has been retitled "Public assistance (excluding medical care for the aged)." Historical figures have been revised to reflect this change.

Table 20. **RECEIPTS FROM AND PAYMENTS TO THE PUBLIC, 1956–67** (in millions of dollars)

Description	Actual										Estimate	
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
RECEIPTS FROM THE PUBLIC												
Individual income taxes	32,188	35,620	34,724	36,719	40,715	41,338	45,571	47,588	48,697	48,792	51,400	56,240
Corporation income taxes	20,880	21,167	20,074	17,309	21,494	20,954	20,523	21,579	23,493	25,461	29,700	34,400
Excise taxes	9,929	10,534	10,638	10,578	11,676	11,860	12,534	13,194	13,731	14,570	13,028	13,257
Employment taxes	7,228	7,520	8,565	8,767	11,067	12,405	12,561	14,862	16,832	16,905	18,819	24,339
Estate and gift taxes	1,161	1,365	1,393	1,333	1,606	1,896	2,016	2,167	2,394	2,716	2,932	3,301
Customs	682	735	782	925	1,105	982	1,142	1,205	1,252	1,442	1,655	1,845
Deposits by States, unemployment insurance	1,330	1,542	1,501	1,701	2,167	2,398	2,729	3,009	3,042	3,052	2,900	2,900
Veterans life insurance premiums	441	452	485	478	482	504	501	494	494	488	490	490
Other budget and trust receipts	3,249	3,171	3,730	3,851	4,766	4,905	4,288	5,641	5,596	6,274	7,229	8,766
Total, receipts from the public	77,087	82,105	81,892	81,660	95,078	97,242	101,865	109,739	115,530	119,699	128,154	145,539
PAYMENTS TO THE PUBLIC												
National defense	40,854	43,442	44,552	46,673	45,915	47,685	51,462	53,429	54,514	50,790	57,421	61,404
International affairs and finance	2,239	3,975	3,724	3,420	2,806	3,608	3,976	3,805	3,492	4,583	4,092	4,429
Space research and technology	71	76	89	145	401	744	1,257	2,552	4,171	5,093	5,600	5,300
Agriculture and agricultural resources	4,343	3,267	3,248	5,995	3,601	3,677	4,399	5,623	5,761	5,353	4,598	3,645
Natural resources	1,198	1,401	1,667	1,789	1,866	2,151	2,282	2,535	2,680	2,820	2,914	3,041
Commerce and transportation	1,796	2,200	3,060	4,545	4,819	5,107	5,487	5,777	6,545	7,421	7,038	6,620
Housing and community development	396	842	−319	2,141	1,440	−103	1,691	−268	1,674	908	1,982	1,193
Health, labor, and welfare	10,254	12,108	15,757	18,017	19,107	22,365	23,975	25,698	27,285	28,292	34,115	39,331
Education	344	439	542	733	867	945	1,052	1,214	1,299	1,497	2,264	2,774
Veterans benefits and services	5,328	5,448	5,828	5,910	5,907	6,187	6,092	5,971	6,107	6,080	5,642	6,380
Interest	5,115	5,266	5,884	5,350	7,233	7,257	6,940	7,427	8,011	8,605	9,304	10,152
General government	1,583	1,744	1,292	1,475	1,558	1,677	1,837	1,953	2,221	2,341	2,414	2,523
Deposit funds (net)	169	217	−29	−60	−78	203	−544	−194	−567	−210	−166	−48
Undistributed adjustments	−1,145	−420	−1,823	−1,382	−1,114	−1 960	−2,244	−1,771	−2,862	−1,179	−2,170	−1,696
Total, payments to the public	72,546	80,006	83,472	94,752	94,328	99,542	107,662	113,751	120,332	122,395	135,048	145,048
Excess of receipts (+) or payments (−)	+4,542	+2,099	−1,580	−13,092	+750	−2,300	−5,797	−4,012	−4,802	−2,696	−6,894	+491

Note.—This table shows the flow of money between the Government and the public on a cash (collections and checks paid) basis, which is explained in more detail in special analysis A, pages 378 to 386.

Table 21. FEDERAL RECEIPTS AND EXPENDITURES IN THE NATIONAL INCOME ACCOUNTS, 1956–67

(Fiscal years. In billions of dollars)

Description	Actual										Estimate	
	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
RECEIPTS, NATIONAL INCOME BASIS												
Personal tax and nontax	33.6	36.7	36.3	38.2	42.5	43.6	47.3	49.6	50.7	51.2	54.8	60.5
Corporate profits tax accruals	21.1	20.6	17.8	21.5	22.3	20.3	22.9	23.6	25.3	27.0	29.3	31.1
Indirect business tax and nontax accruals	10.8	11.7	11.6	11.9	13.2	13.3	14.2	15.0	15.6	16.8	15.9	16.5
Contributions for social insurance	10.2	11.7	12.2	13.8	16.7	18.1	19.9	22.1	23.6	24.6	28.8	34.1
Total receipts, national income basis	75.8	80.7	77.9	85.4	94.8	95.3	104.2	110.2	115.1	119.6	128.8	142.2
EXPENDITURES, NATIONAL INCOME BASIS												
Purchases of goods and services	45.2	47.7	50.7	54.7	52.7	55.5	60.9	63.4	65.8	64.5	70.7	74.4
Transfer payments	14.7	16.3	19.5	21.6	22.4	25.6	27.2	28.6	29.6	30.3	34.2	39.2
Grants-in-aid to State and local governments	3.2	3.7	4.7	6.2	6.8	6.9	7.6	8.4	9.8	10.9	12.8	14.7
Net interest paid	5.1	5.5	5.7	5.9	7.0	6.8	6.8	7.5	8.1	8.6	9.0	9.7
Subsidies less current surplus of Government enterprises	1.7	2.8	2.5	2.4	2.3	3.2	3.8	3.6	3.8	4.1	4.3	4.7
Total expenditures, national income basis	69.8	76.0	83.1	90.9	91.3	98.0	106.4	111.4	117.1	118.3	131.0	142.7
Surplus (+) or deficit (−) national income basis	+6.0	+4.7	−5.1	−5.5	+3.5	−2.7	−2.1	−1.2	−1.9	+1.2	−2.2	−.5

Source.—Actual data for 1956–65 are based on the quarterly estimates prepared by the Department of Commerce. Data for 1966 and 1967 are based on estimates by the Bureau of the Budget in cooperation with the Department of Commerce.

INDEX

A

Accounts, Bureau of, 309–310
Administrative budget:
  Discussion, 10–11
  Expenditures:
    By agency, for each appropriation and fund account, analysis, 166–351
    By agency, summary, table 5, 43
    By function:
      1956–67, table 19, 434–438
      Distributed by agency, table 14, 145–154
      Summary, table 1, 39
    Comparison of Great Society programs, 1964–67, text table, 18
    Detail for particular programs, *see* under program titles
    Investment, operating and other, summary, table 6, 44
    Payments to the public, by program, table, 1965–67, 19
    Relation of, to obligational authority, summary, table 8, 46
    Totals, fiscal years 1789–1967, table 15, 430
  Explanation of, 378
  Grand totals, 351
  New obligational authority, by type and function, summary, table 3, 41
  New obligational authority, by agency, summary, table 4, 42
  Obligational authority, balances of, by agency, summary, table 10, 49
  Obligations incurred, net, by agency, table 9, 48
  Payments to the public, *see* Payments to the public.
  Receipts:
    By source:
      1956–67, table 18, 433
      1965–67, detailed list, table 13, 60–64
      Summary, table 1, 39
    Estimated effect of proposed legislation on, text table, 59
    From the public, by source, 1965–67, table, 13, 55
    Totals summary, fiscal years 1789–1967, table 15, 430
  Relation of, to consolidated cash statement, 381
  Relation of, to consolidated cash statement and national income accounts, 1965–67, table A–1, 377
  Summary, table 1, 39
  Totals and public debt, fiscal years 1789–1967, table 15, 430
Administrative Conference of the United States, 327
Adult education, basic, 125
Advisory Commission on Intergovernmental Relations, 337
Aeronautics and Space Administration, *see* National Aeronautics and Space Administration
Aeronautics research and technology, 91–93
Aged, health insurance for, discussion, 23
Aged, programs for, 118–120, 127, 128
Agency for International Development, 86–89
Agricultural assistance to developing countries, 21
Agricultural Library, National, 206
Agricultural Marketing Service, 196–197
Agricultural research, 97–98
Agricultural Research Service, 192–193
Agricultural Stabilization and Conservation Service, 198–199
Agriculture and agricultural resources:
  Analysis, 93–98
  Discussion, 23
  NOA and expenditures, 1965–67, distributed by agency, table 14, 146–147, 155–156
Agriculture, Department of, 192–209
Aid, foreign, *see* Foreign assistance
Air pollution, 122
Air transportation, 109–110
Aircraft, supersonic, 110
Airlift, defense, 76, 79
Alaska:
  Federal Development Planning Committees for, 333
  Federal Reconstruction and Development Planning Commission, 334–335
  Transitional grants to, 186
Alaska Railroad, 277
Alaska Temporary Claims Commission, 327
Alliance for Progress, 22, 88
American Battle Monuments Commission, 328
American Printing House for the Blind, 261
Annexed budgets:
  Expenditures and applicable receipts, table B–7, 392
  Explanation of, 165
  Memorandum, 372–373
Appalachian Regional Commission, 337
Appalachian regional development, 24, 108, 211
Appalachian Trail, proposed extension, 103
Appeals courts, 180–181
Apprenticeship and Training, Bureau of, 295
Architect of the Capitol, 172–175
Area development, 107–108
Area Redevelopment Administration (Commerce), 212
Armed Forces, *see* Military personnel
Arms Control and Disarmament Agency, U.S., 347

200-000 O—66——28

Army, Department of the—Civil, 240–242
Arts, John F. Kennedy Center for the Performing, 346
Arts, National Council on, 341
Arts and Humanities, National Foundation on the, 341
Asian Development Bank, 89
Atlantic-Pacific Interoceanic Canal Study Commission, 328
Atomic energy activities, 83–84
Atomic Energy Commission, 316
Authorizations, contract, explanat on, 162–163
Authorizations, permanent, *see* Permanent authorizations
Automatic data processing activities, 33, 104–106, 141
Aviation, user charges for, discussion, 15, 57–58, 59

B

Balance of payments, discussion, 71–72
Balances:
  Budget, explanation, 164
  Obligational authority, by agency and type, table 10, 49
  Public enterprise funds, table B–3, 389
  Trust fund, 1964–67, table B–6, 391
Battle of Lake Erie Sesquicentennial Celebration Commission, 336
Battle of New Orleans Sesquicentennial Celebration Commission, 336
Beautification, highway, 58, 111
Bonneville Power Administration, 287
Borrowing by Government enterprise funds, table B–10, 395
Botanic Garden, 175
Budget:
  Bureau of the, 182–183
  Changes in priorities, 1964–67, text table, 18
  Message of the President, 7–36
  Résumé of, table 1, 39
  Summary of, 10–13
  Terms, explanation of, 162–164
  Three types of accounts, explanation of, 376–384
Business, advancement of, 104–108
Business, small, *see* Small business
Business and Defense Services Administration, 214
Business Economics, Office of, 213

C

Cemeterial expenses, Army, 240
Census, Bureau of the, 213–214
Census, 1970 Decennial, 107
Center for Computer Sciences and Technology, 106
Central Intelligence Agency, 328
Child health, 120
Children, disadvantaged:
  Education of, 29
  Medical care, 27–120
  Nutritional programs, 28
City demonstration projects, 26
Civil Aeronautics Board, 328–329
Civil defense, 237
Civil rights, 143–144
Civil Rights, Commission on, 331
Civil Service Commission, 329–330
Civil supersonic aircraft program, 110
Civil War Centennial Commission, 336
Claims, Court of 180
Coal Research, Office of, 279
Coast and Geodetic Survey, 219
Coast Guard, U.S., 110
College housing, 29
College students, financial assistance for, 29
Commerce, Department of, 210–226
Commerce, stimulation of, discussion, 24
Commerce and transportation:
  NOA and expenditures, 1965–67, distributed by agency, table 14, 148–149, 156
  Program analysis, 104–112
Commercial Fisheries, Bureau of, 280–281
Commodity Credit Corporation, 199–201
Commodity Exchange Authority, 197
Communications activities, General Services Administration, 321
Community action programs, discussion, 124–125
Community development, 112–114, 205
Community health, 121, 205, 249–251
Community Relations Service, 215
Compensation:
  Federal personnel, table C–3, 402
  President of the United States, 182
  Vice President of the United States, 166
Computer Sciences and Technology, Center for, 106
Conservation, wildlife, military reservations, 243
Conservation, *see also* Land; Water
Consolidated cash statement:
  Discussion, 12
  Explanation of, 378
  Intragovernmental transactions excluded from, 1965–67, table A–3, 382
  Payments to the public, table 2, 40
  Receipts from the public, table 2, 40
  Relation of, to the administrative budget, 381
  Relation of, to administrative budget and national income accounts, 1965–67, table A–1, 377
  Relation of, to Federal sector account, 383–384
  Summary, table 1, 39
  Totals, 1940–67, table 16, 431
Construction, military, 235–236
Consumer and Marketing Service, 196–197
Consumer protection, 122
Continental air and missile defense forces, 76, 77–78
Contingencies allowance, 19
Contract authorizations, explanation, 162–163
Cooperative State Research Service, 193
Corps of Engineers, 240–241
Corregidor-Bataan Memorial Commission, 336
Cost reduction in Government, discussion, 33–34
Council of Economic Advisers, 183
Courts, 179–181

Credit programs, Federal, private participation in, 33, 71, 426–427
Crime in the District of Columbia, President's Commission on, 342
Crime and law enforcement, discussion, 30
Customs, Bureau of, 310
Customs Court, 180
Customs and Patent Appeals, Court of, 179

D

Debt issuances, by Government enterprises, table B–10, 395
Debt issuances, in lieu of checks, table A–4, 383
Decennial Census, 1970, 107
Defense:
  Civil, 237
  Department of—Civil, 240–243
  Department of—Military, 227–239
  National:
    Discussion, 20–21, 72–84
    NOA and expenditures, 1965–67, distributed by agency, table 14, 145, 154–155
    Program analysis, 72–82
Defense materials activities, General Services Administration, 321
Defense production, expansion of, 186
Deficit, administrative budget, discussion, 9
Deficit or surplus, *see* Surplus or deficit
Definition of budget terms, 162–163
Delaware River Basin Commission, 338
Disarmament, *see* U.S. Arms Control and Disarmament Agency
Disaster relief, 186
District of Columbia, 26, 349–351
District of Columbia, *see also* National Capital
District courts, 180–181
Drugs, use and control of, *see* Food and drug control

E

Economic Advisers, council of, 183
Economic assistance, foreign, *see* Foreign assistance
Economic assumptions as base for revenue estimates, 1964–66, 54–55
Economic development, Commerce, 211–216
Economic growth and stability, discussion, 8–9.
Economic Opportunity, Office of, 27, 124–126, 191
Economic Research Service, Agriculture, 195
Economy, national: Effect of expenditures on, discussion, 70
Education:
  Adult, basic, 125
  Discussion and text table, 29
  Elementary and secondary, assistance for, 129–131
  Higher, assistance for, 131–132
  NOA and expenditures, 1965–67, distributed by agency, table 14, 151–158
  Office of, 244–248
  Program analysis, 129–134
  Science, assistance for, 132–133
  Veterans readjustment programs, 30
  Vocational, discussion, 133
Educational exchange, 306–307
Elderly, housing for, 26
Electric power programs, 101
Emergency fund for the President, 186
Emergency Planning, Office of, 184
Employees' Compensation, Bureau of, 298–299
Employment, Federal civilian:
  Analysis, 397–405
  By agency, summary, table 12, 51
  By geographical location, as of June 1965, table C–2, 401.
  Compensation and benefits, table C–3, 402.
  In relation to population and other Government employment, 1943–67, table C–4, 405
  Summary, full-time permanent, as of June 1965–67, table C–1, 398
Engraving and Printing, Bureau of, 310
Environmental health, 122, 251–252
Environmental science services, 106
Environmental Science Services Administration, 218
Equal Employment Opportunity Commission, 331
Equal rights, discussion, 30
Excise tax proposals, estimated effect of, on receipts, text and table, 57, 59
Excise taxes, changes in, 14
Executive Mansion, 182
Executive Office of the President, 182–185
Expenditures:
  Administrative budget, *see* Administrative budget
  Annexed budgets, table B–7, 392
  By agency, for each appropriation and fund account, analysis, 166–373
  By agency, summary, table 5, 43
  By function, distributed by agency, table 14, 145–159
  By function, summary, table 1, 39
  Effect of, on balance of payments, discussion, 71–72
  Effect of, on the economy, discussion, 70
  Explanation, 163–164
  Gross:
    Analysis of, 385–396
    Government-administered funds, table B–9, 394
    Public enterprise funds, by agency, table B–1, 386
    Trust revolving funds, table B–5, 391
  In relation to Government programs, discussion, 17–30
  Investment, operating, and other, analysis, 404–425
  Investment, operating, and other, summary, table 6, table D–1, 44, 407
  National income accounts:
    Explanations, text and table A–2, 379–381
    Federal sector, discussion, 11, 431, 440
    Summary, table 7, 45
  Relation of, in administrative budget, consolidated cash statement, and Federal sector of national income accounts, 1965–67, table A–1, 377
  Relations of authorizations to, table 8, 46–47
  Summary, by agency, table 5, 43

Expenditures—Continued
Summary, by functions, table 1, 39
Trust funds, *see* Trust funds
See also under particular programs
Export expansion program, 89
Export-Import Bank, 89, 331
Export programs, special, 201–202
Extension Service, 193

F

Family housing (Defense—Military), 237.
Farm Credit Administration, 332
Farm financing, 97
Farm income stabilization, 95–96
Farm programs, discussion 23
Farmer Cooperative Service 194
Farmers Home Administration, 204–205
Federal activities, analysis by function, 68–144
Federal-aid highways, *see* Highways
Federal Aviation Agency, 316–317
Federal Bureau of Investigation, 292
Federal Coal Mine Safety Board of Review, 332
Federal Communications Commission, 333
Federal Crop Insurance Corporation, 203
Federal Development Planning Committee for Alaska, 333
Federal finances and gross national product, 1940–66, table 17, 432
Federal financial transactions, three measures of, 376–384
Federal Home Loan Bank Board, 333
Federal Housing Administration, 270
Federal Maritime Commission, 333
Federal Mediation and Conciliation Service, 334
Federal National Mortgage Association, 269
Federal Power Commission, 334
Federal Prison System, 293–294
Federal Radiation Council, 185, 334
Federal Reconstruction and Development Planning Commission for Alaska, 334–335
Federal revenues, discussion, 13–15
Federal sector accounts, *see* National income accounts, Federal sector
Federal Supply Service, 319
Federal Trade Commission, 335
Federal Water Pollution Control Administration, 257
Field establishments, Federal, management improvement in, 35
Fine Arts, Commission of, 330
Fiscal operations, central, 141
Fiscal program, 9–10
Fish and wildlife resources, 103
Fish and Wildlife Service, 279–283
Food and Drug Administration, 244
Food and drug control, 122
Food and Fiber, National Advisory Commission on, 23, 207
Food for Peace, 21, 90
Foreign affairs, conduct of, 86, 303–304
Foreign Agricultural Service, 197
Foreign assistance programs, 21–22, 86–89, 188, 201–202
Foreign Claims Settlement Commission, 335
Foreign currency, special programs, funds appropriated to the President, 192
Foreign information and exchange activities, 90–91
Forest resources, 102
Forest Service, 207–209
Former Presidents, *see* President, the U.S.
Franklin D. Roosevelt Memorial Commission, 336
Freedmen's Hospital, 262
Funds, types of, explanation, 162
Funds appropriated to the President, 186–192

G

Gallaudet College, 262
Gas, Office of Oil and, 271
General Accounting Office, 335
General fund, explanation, 162
General government:
NOA and expenditures, 1965–67, distributed by agency, table 14, 152–154, 158
Programs, analysis, 141–144
General Services Administration, 318–323
Geological Survey, 277
Government-administered funds, gross expenditures of, table B–9, 394
Government-administered funds, purchases of, in U.S. securities, table B–11, 396
Government enterprises, borrowing by, table B–10, 395
Government organization, discussion, 32
Government Printing Office, 177–178
Government programs, changes in priorities, text and table, 17–18
Grants to foreign countries, for development, 82
Great Society, discussion, 9, 17–19, 68
Great Society programs vs. Southeast Asia commitments, discussion, 7–8, 35
Gross national product and Federal finances, 1940–66, table 17, 432

H

Handicapped persons, rehabilitation of, 28
Health and welfare programs:
Analysis, 118–122
Discussion, 26–27
NOA and expenditures, 1965–67, distributed by agency, table 14, 150–151, 157
Health, Education, and Welfare, Department of, 244–264
Health facilities, 26–27
Health professions manpower, 121
High-speed ground transportation, 25
Highway safety, 25
Highway user charges, 15
Highways, 58, 111
Historical and memorial commissions, 336–337
Hospitals:
Freedmen's, 262
Saint Elizabeths, 257–258
Veterans, 137–139
House of Representatives, 168–171
Housing:
Discussion, 25
Military, family housing, 237
NOA and expenditures, 1965–67, distributed by agency, table 14, 149–150, 157

Housing—Continued
Program analysis, 112–118
Private, aids to, 115–117
Public, 114–115
Rural, 97
Housing and Urban Development, Department of, 265–271
Howard University, 262–263
Human resources, investment in, 70–71
Humanities, National Foundation on the Arts and, 341
Hurricane disaster, Southeast, 191

I

Immigration and Naturalization Service, 293
Income tax proposals, estimated effect of, on receipts, text and table, 56–57, 59
Indian Affairs, Bureau of, 273–275
Indian Claims Commission, 337
Indians, 101
Information Agency, United States, 348
Inland waterways, user charges for, 15, 58, 59
Inspection activities, proposed user charges on, 58, 98
Insurance, veterans' life, 139
Inter-American Development Bank, 88
Interest:
Analysis of payments, 140
NOA and expenditures, 1965–67, distributed by agency, table 14, 152
Public debt, 315
Intergovernmental coordination, discussion, 32, 144
Intergovernmental Relations, Advisory Commission on, 337
Interior, Department of the, 272–291
Internal Revenue Service, 313
International activities (Commerce), 215
International affairs:
Discussion, 21–22
NOA and expenditures, 1965–67, distributed by agency, table 14, 145–146, 155
Program analysis, 84–91
International Boundary and Water Commission, 305
International commissions, 305–306
International Development, Agency for, *see* Agency for International Development
International financial institutions, 187
International Hydrological Decade, 100, 103–104
International Labor Affairs, Bureau of, 299
International organizations and conferences, 304–305
International Rules of Judicial Procedure, Commission on, 331
Interoceanic canal feasibility study, 111
Interstate Commerce Commission, 339
Interstate Commission on the Potomac River Basin, 338
Interstate Highway System, 111
Intragovernmental funds, explanation, 162
Intragovernmental funds, reimbursement from non-Federal sources, table B–8, 393
Intragovernmental transactions excluded from consolidated cash statement, table A–3, 382
Investment, operating, and other expenditures:
Analysis, 404–425
By kind, agency, and program, table D–2, 410–425
Summary, tables 6, D–1, 44, 407

J

James Madison Memorial Commission, 336
Job Corps, 125
Judicial Procedure, International Rules of, Commission on, 331
Judiciary, the, 181–183
Justice, Department of, 291–294

K

Kennedy, Mrs. Jacqueline Bouvier, office of, 322
Kennedy, John F., Center for the Performing Arts, 346

L

Labor, Department of, 295–301
Labor Affairs, International, Bureau of, 299
Labor Management, Bureau of, 272–273
Labor-Management Policy, President's Advisory Committee on, 342
Labor-management relations, 297
Labor-Management Reports, Bureau of, 297
Labor-Management Services Administration, 297
Labor and manpower:
NOA and expenditures, 1965–67, distributed by agency, table 14, 150
Program analysis, 122–124
Program discussion, 27
Labor Standards, Bureau of, 298
Labor Statistics, Bureau of, 299
Land resources, 96–97, 101–102
Law enforcement, improvement in, proposed, 30
Law Enforcement, President's Commission on, 342
Legislation, proposed:
Employment and unemployment taxes, 57
Estimated effect of, on receipts from the public, text and table, 56–59
Excise taxes, 57
Income tax, 56–57
Military personnel, medical care for dependents, 81–82
Revolving funds for Rural Electrification Administration and power administrations, 58
User charges, 57, 98
Legislative branch, 166–178
Lewis and Clark Trail Commission, 336
Library of Congress, 176–177
Loans, foreign development, 88
Low-income housing, 26

M

Management improvement, discussion, 32–35
Management improvement, expenses of, 186
Manned space flight, 91–92
Manpower Administration (Labor), 295–297

Manpower training, discussion, 27
Maritime Administration, 222–223
Maritime Commission, Federal, 333
Mass transportation, urban, 114
Mass transportation, urban, discussion, 25
Maternal health, 120
Medical facilities, *see* Health facilities
Medical manpower proposed increase in development of, 26–27
Medical professions manpower, 121
Medical programs, *see* Health programs
Medical services, Public Health Service, 252–253
Mental health, 27, 121
Merchant Marine, U.S., 110
Message, budget, 7–36
Meteorology, 93
Military assistance, 82, 187
Military personnel, 227–229
Military personnel, Active Forces, strength and composition table, 76
Mineral resources, 103, 277–279
Minerals Exploration, Office of, 279
Mines, Bureau of, 278–279
Mint, Bureau of, 311

N

Narcotics, Bureau of, 311
National Advisory Commission on Food and Fiber, 23, 207
National Aeronautics and Space Administration, 323
National Aeronautics and Space Council, 183
National Agricultural Library, 206
National Archives and Records Service, 320
National Bureau of Standards, 220–221
National Capital Housing Authority, 339
National Capital Planning Commission, 339
National Capital region, 117–118
National Capital Transportation Agency, 340
National Commission on Food Marketing, 340
National Commission on Technology, Automation, and Economic Progress, 340
National Council on the Arts, 341
National defense, *see* Defense
National Foundation on the Arts and Humanities, 341
National income accounts, Federal sector:
  1940–67, table 16, 431
  Expenditures, text table, 11
  Explanation of, 378
  Receipts, text table, 11
  Receipts and expenditures:
    1956–67, table 21, 440
    1965–67, table A-2, 379
    Summary, table 7, 45
  Relation of, to administrative budget and consolidated cash statement, 1965–67, table A-1, 377
  Relation to the consolidated cash statement, 383–384
National Institutes of Health, 120–121, 253–256
National Labor Relations Board, 341
National Mediation Board, 341
National Park Service, 283–285
National Science Foundation, 341
National Security Council, 183
National Technical Institute for the Deaf, 261
Natural resources:
  Discussion, 23
  Land and water, agricultural, 96–97
  NOA and expenditures, 1965–67, distributed by agency, table 14, 147–148, 156
  Program analysis, 98–104
Neighborhood Youth Corps, 124
New obligational authority:
  Agricultural programs, text table, 94
  By agency, for each appropriation and fund account, 166–373
  By agency, summary, table 4, 42
  By function, distributed by agency, table 14, 145–159
  By type and function, summary, table 3, 41
  Completeness of estimates for 1965 and 1967, 164–165
  Contingencies allowance, 15–17
  Discussion, text table, 15–17
  Explanation, 162–163
  Public enterprise funds, by agency, table B-2, 388
  Relation of expenditures to, 46–47
  Nuclear energy resources, 24, 83–84
  Nuclear weapons, 83

O

Obligational authority, balances of, by agency and type, table 10, 49
Obligational authority, new, *see* New obligational authority
Obligations:
  Incurred, explanation, 163
  Incurred, net, by agency, table 9, 48
Oil and Gas, Office of, 271
Outdoor Recreation, Bureau of, 102–103, 275

P

Panama Canal, 242–243
Patent Appeals, Court of, 179
Patent Office, 220
Payments, Federal, consolidated cash statement, 1940–67, table 16, 431
Payments, Federal, summary, text table, 11
Payments to the public:
  By function, 1956–67, table 20, 439
  By program, text table, 19–20, 69
  Relation of Federal sector, national income accounts to, summary, table 7, 45
  Summary, by function, table 2, 40
Peace Corps, 22, 90, 191
Pensions, veterans, 135
Permanent authorizations:
  Explanations, 163
  New obligational authority, summary of, by type, table 3, 41
  Summary, table 8, 46–47
Personal property activities, General Services Administration, 319
Personnel, Federal, compensation and benefits, table C-3, 402
Personnel management, central, 141–142

Planning-programing-budgeting system, discussion, 32–33
Pollution control, air and water, 122
Post Office Department, 301–302
Postal service, 111–112
Poverty programs, 27, 123–126
Power resources, electric, 100–101
President of the United States:
  Compensation, 182
  Facilities for former Presidents, 321
  Funds appropriated to the, 186–192
Productivity in Government, improvement of, discussion, 34
Property management, 141
Property utilization and disposal activities, General Services Administration, 320
Protective services, Department of Justice, 143
Public administration, Federal, State, and local, improvement in, 32, 144
Public assistance, 127
Public Buildings Service, 318
Public debt:
  Bureau of the, 311
  Compared with statutory limitation, end of year, table 11, 50
  Discussion and text table, 30–31
  End of year, 1789–1967, table 15, 430
  Interest on, 315
  Summary, table 11, 50
Public enterprise funds:
  Analysis of, 385–396
  Balances, table B–3, 389
  Explanation, 162
  Gross expenditures and applicable receipts, by agency, table B–1, 386
  NOA and writeoffs, by agency, table B–2, 388
Public Health Service, 249–256
Public housing programs, 114–115, 271
Public Land Law Review Commission, 342
Public land management, 272–277
Public Roads, Bureau of, 223–225
Public welfare, 127
Public works acceleration, 191
Puerto Rico, Commission on Status of, 338
Purchases of U.S. securities by Government administered funds, table B–11, 396

R

Railroad Retirement Board, 342–343
Readjustment benefits, veterans', 136–137
Real property activities, General Services Administration, 318–319
Receipts:
  Administrative budget, *see* Administrative budget
  Annexed budgets, table B–7, 392
  By source, analysis, 54–66
  By source, 1965–67, detailed list, table 13, 60–66
  Consolidated cash statement, 1940–67, table 16, 431
  Economic base of estimates, 54–55
  Estimated changes in, 55–56
  Estimated effect of proposed legislation on, 56–59
Receipts—Continued
  From the public:
    1956–67, table 20, 439
    By source, text and table, 11, 13
    Relation to Federal sector national income accounts, summary, table 7, 45
    Summary, by source, table 2, 40
  National income accounts:
    1940–67, table 16, 431
    1956–67, table 21, 440
  Public enterprise funds, by agency, table B–1, 386
  Summary, by source, table 1, 39
  Trust funds, *see* Trust funds
Reclamation, Bureau of, 285–286
Records activities, General Services Administration, 320
Recreation, Outdoor, Bureau of, 275
Recreational resources, 102–103
Reimbursements from non-Federal sources credited to appropriations and intragovernmental funds, table B–8, 393
Renegotiation Board, 343
Rent supplement, low-income tenants, 26
Research:
  Agricultural, 97–98
  Basic, assistance to, 132–133
  Health, 118–122
  Space, 22
  Water resources, 101
Research and development:
  Aeronautics and space, 91–93
  Data availability, 104–106
  Defense, Department of, 80–81, 234–235
  Transportation, 225–226
Reserve Forces, Defense, 79–80
Résumé, budget, table 1, 39
Retaliatory forces, Defense, 74–77
Revenues, estimates of, *see* Receipts
Revolving funds, military, 237–239
Rural Community Development Service, 205
Rural electrification, financing of, 96
Rural Electrification Administration, 58–59, 203
Rural housing, 97
Rural life, improvement of, 23, 95, 96
Rural telephones, financing of, 96
Ryukyu Islands, Army, 241–242

S

Saint Elizabeths Hospital, 257–258
Saint Lawrence Seaway Development Corporation, 343
Saline Water, Office of, 289
Saline water conversion, 24, 101
Savings, Federal agency goals and achievements, discussion, 34
Science education, assistance for, 132–133
Science information, dissemination of, 104–106
Science and technology, 216–218
Science and Technology, Office of, 185
Sealift, defense, 76–79
Secret Service, U.S., 314–315
Securities, U.S., purchases of by Government-administered funds, table B–11, 396
Securities and Exchange Commission, 343

Selective service program, 84
Selective Service System, 343
Senate, 166–168
Small business, aids to, 107
Small Business Administration, 344
Smithsonian Institution, 345–346
Social Security Administration, 258–259
Social security services, 126–129
Social security tax, self-employment, quarterly payment, 57, 59
Soil Conservation Service, 194–195
Soldiers' Home, United States, 243
Southeast Asia, cost of commitments, 72
Southeast Asia commitments vs. Great Society programs, discussion, 7–8
Southeast hurricane disaster, 191
Southeastern Power Administration, 287
Southwestern Power Administration, 288
Space research:
  Discussion, 22
  NOA and expenditures, 1965–67, distributed by agency, table 14, 146, 155
  Program analysis, 91–93
Special projects, White House Office, 182
Sport Fisheries and Wildlife, Bureau of, 281–283
Standards, National Bureau of, 220–221
State, Department of, 86, 303–307
State and local governments, Federal agency cooperation with, 32, 144
Statistical Reporting Service, Agriculture, 195
Statistics, Labor, Bureau of, 299
Stockpile of strategic and critical materials, 30, 84
Subversive Activities Control Board, 346
Supersonic air transport, civil, 25, 110
Supreme Court of the United States, 179
Surplus or deficit:
  Administrative budget, 1789–1967, table 15, 430
  Consolidated cash statement, 1940–67, table 16, 431
  National income accounts, Federal sector, 1940–67, table 16, 431

T

Tariff Commission, 346
Tax collection procedures, proposed changes, 14
Tax Court of the United States, 347
Tax proposals, estimated effects of, on receipts, text and table, 55–59
Tax receipts, 55–56
Teacher Corps, 29, 134
Technical Services, Office of, 221
Tennessee Valley Authority, 347
Territories, Office of, 276
Trade Adjustment Office (Commerce), 215
Trade negotiations, special representative for, 185
Transportation:
  Aviation, 109–110
  Commerce Department programs, 222–226
  Department of, proposed, 25
  General Services Administration activities, 321
  Mass, urban areas, discussion, 25, 114
Transportation—Continued
  Program analysis, 108–111
  Research, 225–226
  User charges for, 15, 57–58, 59
  Water, 110–111
Travel Service, U.S. (Commerce), 216
Treasurer, Office of the, 314
Treasury Department, 308–315
Trust funds:
  Analysis of, 385–396
  Balances, table B-6, 391
  By agency, 352–371
  Expenditures:
    By agency, summary, table 5, 43
    By function, 1956–67, table 19, 434–438
    By function, distrubuted by agency, 1965–67, table 14, 154–158
    By function, summary, table 1, 39
    By fund, table B-4, 390
    Investment, operating, and other, summary, table 6, 44
    Relation of, to obligational authority, summary, table 8, 47
  Explanation, 162
  New obligational authority:
    By agency, summary, table 4, 42
    By function, distributed by agency, 1965–67, table 14, 154–158
    By type and function, table 3, 41
  Obligational authority, balances of, summary, table 10, 49
  Obligations incurred, net, by agency, table 9, 48
  Receipts:
    By fund, table B-4, 390
    By source; 1956–67, table 18, 433
    By source, detailed list, table 13, 64–66
    Estimated effect of proposed legislation on text and table, 59
  Revolving, expenditures and applicable receipts, table B-5, 391
  Summary, table 1, 39

U

United States Arms Control and Disarmament Agency, 347
United States Information Agency, 90–91, 348
United States Secret Service, 314–315
United States Soldiers' Home, 243
United States Territorial Expansion Memorial Commission, 336
United States Travel Service (Commerce), 216
Urban renewal, 25, 26, 112–114
User charges, 14–15, 57, 59, 98

V

Veterans Administration, 324–327
Veterans' benefits and services:
  Discussion, 29–30
  NOA and expenditures, 1965–67, distributed by agency, table 14, 152–158
  Program analysis, 135–140
Veterans' Reemployment Rights, Bureau of, 297
Vice President of the United States, 166

Virgin Islands Corporation, 291
Vocational Rehabilitation Administration, 248–249
Volunteers in Service to America (VISTA), 125

W

Wage and Hour Division, 298
Wage and labor standards, 298–299
Water development, 285–289
Water pollution, 27–28, 122
Water resources, 98–100
Water resources, agricultural, 96–97
Water resources, discussion, 24
Water Resources Research, Office of, 290
Water transportation, 110–111
Weather Bureau, 106, 219
Welfare Administration (HEW), 259–261
Welfare, public, 127
White House Office, 182
Wildlife conservation, military reservations, 243
Wildlife resources, 103
Wildlife Service, *see* Fish and Wildlife Service
Wildlife, *see also* Sport Fisheries and Wildlife, Bureau of
Women's Bureau, 298
Woodrow Wilson Memorial Commission, 337

Y

Youth Opportunity Centers, 123

○

EDGE INDEX

Budget Message of the President

Summary Tables

Receipts

FEDERAL PROGRAM BY FUNCTION

Analysis of Federal Activities by Function

New Obligational Authority and Expenditures by Function and Activity

Continued in next Column

Legislative Branch

Judiciary

Executive Office of the President

Funds Appropriated to the President

DEPARTMENTS

Agriculture

Commerce

Defense—Military

Defense—Civil

Health, Education, and Welfare

Housing and Urban Development

Interior

Justice

Labor

Post Office

State

FEDERAL PROGRAM BY AGENCY

ANALYSIS OF NEW OBLIGATIONAL AUTHORITY AND EXPENDITURES

Continued from First Column

Treasury

Atomic Energy Commission

Federal Aviation Agency

General Services Administration

NASA

Veterans Administration

Other Independent Agencies

District of Columbia

Special Allowances

Trust Funds

Memorandum—Annexed Budgets

DEPARTMENTS AND FEDERAL PROGRAM BY AGENCY, ETC.

SPECIAL ANALYSES

A — Three Measures of Federal Financial Transactions

B — Public Enterprises, Trust Funds, and Gross Expenditures of the Government

C — Civilian Employment in the Executive Branch

D — Investment, Operating, and Other Expenditures

Private Participation in Federal Credit Programs

Historical Tables

A to Z Index

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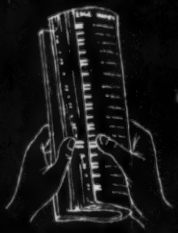

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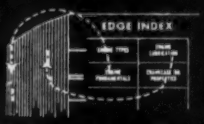

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